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THE ACTIVITY BAROMETER

JULY 8, 1936	JUNE 3, 1936
88.7	82.3

The Activity Barometer recorded a further sharp gain during June, reflecting the increase in steel mill operations and the improvement in carloadings and electric power production. In the week ended July 8 the Barometer stood at 88.7, as compared with 82.3 a month ago and 70.2 in the like week of last year. The latest figure is the highest in almost six years.

BAROMETER AND ITS COMPONENTS

(Estimated normal = 100)

	Activity Barometer	Steel Production	Car Loadings	Electric Power	Bank Clearings	Food Price Index
July 8, '36	88.7	94.0	71.7	103.7	58.6	88.8
July 1, '36	88.1	98.1	70.7	102.2	58.4	85.7
June 24, '36	85.5	89.1	70.2	101.5	57.3	85.1
June 17, '36	84.7	87.4	70.2	100.6	56.9	83.8
June 10, '36	83.7	84.3	70.7	99.4	57.1	83.3
June 3, '36	82.3	80.5	68.6	101.1	56.6	83.3
July 10, '35	70.2	49.4	62.1	88.5	50.4	82.9

THIS ISSUE

The Robinson-Patman Anti-Price Discrimination Act, which has been a law since June 19, affects directly the operations of 1,500,000 retail establishments, hundreds of thousands of wholesale concerns, and many thousands of manufacturers. The changes which this Act may bring about in internal business operations, price structures, and the relative position of various channels of distribution are surveyed by Willard L. Thorp in his article "Possible Effects of the Robinson-Patman Act on Business Practices."

The practical way in which the Dun & Bradstreet Retail Survey is being employed as a gauge in helping merchants to reduce costs of operation and overhead and to increase their turnover and profit ratios is set forth in the detailed analysis of operating figures in "Two Retail Grocers Check Their 1935 Performance," by Walter Mitchell, Jr.

In the "Graphic Reviews of Major Trends," attention is directed to the June building statistics. With a rise of 113.9 per cent over the June, 1935, total, building permit values for the 215 cities for the first six months of 1936 exceeded by 83.1 per cent the previous year's comparative, and surpassed all corresponding totals back to 1931.

POSSIBLE EFFECTS OF THE ROBINSON-PATMAN ACT ON BUSINESS PRACTICES

by WILLARD L. THORP

The Robinson-Patman Act deals with price discrimination. It may lead to changes in internal business operations, price structures, and the relative position of various channels of distribution. The problems in these three areas affecting business men are here surveyed in some detail.

IT gives me a great deal of pleasure to observe distinguished members of the legal profession engaged in the dangerous and embarrassing sport of forecasting. As an economist, I should by this time have learned better than to participate in such an undertaking, particularly when it involves forecasting the effects of a law whose operation is still being forecast. It might have been wiser had the Program Committee invited a gypsy fortune-teller for my part of the program rather than an economist who finds his delight in tables of statistics. Nevertheless, I invite you to join with me in an experiment in clairvoyance.

One could dismiss the subject of the probable effects of the Robinson-Patman Act by arguing that the law, either for legal or practical reasons, will never be effective. But the influence of a law cannot be measured by court decrees. In fact, its impact may be better measured by the extent to which adjustments in business policies are set in motion which render court action quite unnecessary.

The Background of the Act

Laws do not beget themselves. They are written on the statute-books "with intent." This particular law was no sudden conception. Various business interests had agitated for some such legislation for years. The Robinson-Patman Act is the current expression of certain ancient and deep-seated human conflicts, rather than a sudden economic inspiration. Its roots are emotional as well as intellectual. Whatever happens to this particular Act, the circumstances and forces that gave it birth are likely to persist. In the more immediate past it was foreshadowed in various NRA codes and controversies. More recently, considerable evidence was accumulated in Congressional hearings. And perhaps too many members of Congress participated actively in developing the final form taken by the legislation. This widespread interest and concern may be taken as indicative of the fact that the problems dealt with were believed by many to be of vital importance and of their hope that some solution, to the extent that it meets these problems, would result in an improved economic system.

To discuss the probable effect of the Act on business behavior is more than a matter of forecasting action by the Federal Trade Commission and the courts. To be sure, to a considerable extent, an umpire defines the rules of any game. He is all-important in borderline cases. But the attitude and behavior of the players and the public is far more important. In the last analysis, it is their game and the rules must win their acceptance. The long-run effect of this Act is not to be measured in terms of the number of players sent to the sidelines by the umpire, but rather in terms of changes in behavior on the playing field. And these will depend less upon the exact phraseology of the Act, than upon its general purpose and intent. Already, although none of the many legal problems have been settled, there are reports of important changes in industry practice which can only be attributed to the fact that this Act is on the statute-books. Many of the players are using the new rules, even though the umpire has not even reached the field.

One starts with the presumption that the Act is not a perfect document. It leaves many problems for subsequent determination by the Commission and the courts. It even has its internal inconsistencies. These are matters for careful legal argument and determination. In the face of this brilliant array of legal talent by which I am surrounded, I should not dare to enter into this territory. But, as an economist, I view this law in terms of our long-run economic evolution. It is a reaction to basic competitive relationships which have taken on new aspects under the impact of the depression. Very real problems are there. The failure of this particular Act will not solve them. They would still remain and sooner or later, other efforts would be made to deal with them. So it seems reasonable to give some thought to the Act in terms of its significance to our economic structure. And if the Act is bewildering and confusing in many of its legal aspects, it seems fairly clear in some of its broader economic implications and intentions.

The Provisions of the Act

Among other things, the Act (and my discussion is limited to

An address presented before the Trade Association Executives in New York City at a "Symposium on Price Discrimination under the Clayton Act, as Amended by the Robinson-Patman Act," Hotel Pennsylvania, New York City, July 8, 1936.

the Robinson-Patman Act amending the Clayton Act and not the Borah-Van Nuys section) concerns itself with cases where products of like grade and quality are sold by some one to different purchasers at different prices. Competition must exist somewhere with the seller, the purchasers, or the purchaser's customers. The price differential is unlawful if the result is to tend to create a monopoly or substantially to lessen competition, either in general or on the part of some one of the competitors involved. However, even in the face of such results, the price discrimination becomes a permissible differential when:

(a) It is a quantity discount not exceeding the difference in cost of manufacture, sale or delivery.

(b) It relates to a different method of operation or dealing and does not exceed the resulting difference in cost of manufacture, sale or delivery.

(c) It represents a price change in response to changing market conditions.

(d) It involves services or allowances which are available in equal proportions to all purchasers.

However, no defense is adequate if there are so few buyers that monopoly is being promoted, and in such cases, limits on quantity discount may be established by the Federal Trade Commission.

Statement of Intent

According to the House Committee on Judiciary Report,

"It is the design and intent of this bill to strengthen existing anti-trust laws, prevent unfair price discriminations, and preserve competition in interstate commerce. It is believed to be in the interest of producer, consumer and distributor. No business institution need have any fear of this legislation if it will conduct its business honestly and without the use of unfair trade practices, and unjust price discriminations."

So we have the Act and an official statement of its "design and intent." Let us speculate about its effects in three general areas:

(1) Internal business operations.
(2) Price structures.
(3) Industry structure.

To make any analysis at all from the economic point of view, I must assume a sincere and widespread effort to follow the principles and accomplish the intentions of the Act. To what extent this assumption must eventually be qualified in terms of legal limitations, business opposition or frailty in the Act itself I must leave to your own judgment and the advice of counsel.

Effect on Internal Operation

The outstanding effect of the Act on the internal operation of an enterprise, is the necessity established to keep detailed and elaborate records of cost if price differentials or discounts are to be employed. No Washington commentator has ever suggested that any lobbyist representing the Certified Public Accountants actively supported the Bill. Nevertheless, had they been organized as a pressure group, they would certainly have had much to say, for those white-collar workers, the bookkeepers and the accountants, will be among the Act's chief beneficiaries.

Manufacturers and distributors employing price differentials must be prepared to demonstrate that they have made "only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered." Thus cost is established as the standard for determining the maximum differentials which are permitted.

To the uninitiated the determination of these costs may appear to be a matter of no great difficulty. In fact, it bristles with problems both of technique and of principle. Many progressive enterprises have developed cost accounting systems with respect to factory costs, but even these are usually in terms of general averages, frequently not broken down in detail by products, and almost never kept on a basis of purchasers' orders. In but few cases, are they developed in terms of the costs involved for various quantities which may go through the manufacturing process. In enterprises which produce many products of differing grade and quality, the determination of specific product factory costs will be of no slight difficulty.

Measurement of Sales Cost

But the problem of measuring differential costs of manufacture is simple compared with the measurement of the differential costs of sale. Where different methods of selling are involved, where single expenditures such, for example, as a salesman's travel account, represent efforts to sell various products to various customers, the isolation of cost of sale of particular products to particular customers will certainly tax the accountant's ingenuity. Undoubtedly, much more detailed basic records of time and cost expenditures will need to be kept as raw material for developing the specific cost figures required by the Act.

The Goodyear case, with all its problems, was relatively simple as compared to the cost problem faced by some enterprises. It took only two years to hear and 25,000 pages to record.[1] Nevertheless, it can be of considerable help by indicating the attitude of the Federal Trade Commission on some of the problems raised by the effort to measure differential costs.

A. Since the discrimination charged was between Goodyear sales to dealers and to Sears-Roebuck, other channels of distribution were eliminated from the calculations, *i.e.*, Goodyear's sales through its own stores and its bus and taxi mileage business. This elimination was not accomplished however, without a strenuous fight, inasmuch as these other outlets had incurred a loss which, if changed in any part to dealer channels, would have reduced the amount of alleged discrimination.

[1] For a much more detailed analysis of the Goodyear case, see the series of articles by E. B. George in the previous three issues of the REVIEW, now available in reprint form.

B. Costs were computed both by tracing the prices and costs of eight specific tires, and by constructing complete profit and loss statements for both channels. As a matter of fact, the same basic data were required for both calculations, the different results arising not so much from different types of cost data as from the fact that certain specific transactions were examined to obtain specific tire data, while all pertinent transactions were reflected in the profit and loss statement analysis.

C. Advertising and selling expenses were charged entirely against the dealers, although there was considerable argument on the point, and even under the circumstances, a strong case can be made for some degree of allocation. Had Sears-Roebuck clearly taken advantage of the Goodyear name, or sold Goodyear brands, this important item would unquestionably have been treated differently.

D. Administrative Expense, regardless of whether or not it had any direct relation to either channel, was prorated impartially over all tire units passing through the factory. This principle appears to be that followed by the Congressional sponsors of the Act. The House Committee on Judiciary, for example, stated that,

"This permits differences on overhead where they can actually be shown as between the customers or classes of customers concerned, but it precludes differentials based on the imputation of overhead to particular customers, or the exemption of others from it, where such overhead represents facilities or activities inseparable from the seller's business as a whole and not attributable to the business of particular customers or of the particular customers concerned in the discrimination."

E. Any benefits of quantity which were not directly reflected in cost were excluded from consideration. This also seems to be the purpose of Congress. The Senate Committee on Judiciary for example, was explicit on the point that "no particular customer should be permitted distinctively to claim the benefit, nor required distinctively to bear the burden, of the immediate use or non-use of facilities which the seller must maintain for his business generally."

The necessity which the Act places upon members of industry to examine carefully the costs applicable to their various transactions may prove somewhat of a burden, but it is a burden not without recompense. Experts in the field of business management have long argued that most enterprises carry on a considerable part of their business at a loss, and that some reduction in volume, if wisely directed, would increase the profit position of the enterprise. With so many channels of distribution available to manufacturers, it may be one of the most beneficial results of the Act, that they will be encouraged to evaluate them according to factual criteria, rather than by hunch or hearsay.

Effect on Prices

The immediate impact of the law falls upon the price structure. The behavior which it condemns is in the field of individual pricing policy.

To see the requirements of the Act more clearly, let us consider the most complicated case,—a manufacturer selling many products to many customers. This Act does not put his entire price structure in order, but concerns itself with order within various subdivisions defined by particular products and markets. For each manufacturer therefore, there are those areas in his price structure in which:

(1) More than one price exists for particular products of like grade and quality.

(2) The several prices apply to purchasers who compete with the seller, with each other, or with each other's customers in the use or resale of the product.

In other words, the law does not affect the price relationship among the various different products which a man sells, as for example, fly swatters and fly paper. Under the second criterion, it does not affect the relationship between prices to customers whose disposition of the product will not be in or lead to competition. The relationship between prices of flashlight batteries to toy manufacturers and to variety chains is not involved. To be sure, battery prices to various toy manufacturers must be orderly; and prices to various chains must be orderly; but each is a separate area for consideration and there is no necessary relationship between them. Sales to manufacturers for use in remanufacture might thus have a price structure quite apart from that applying to channels for consumer distribution. Thus, most sales to the government would not seem to be involved, and the Act excludes export trade by definition.

Within each of these various product-market areas, prices to all customers must be alike, except as differences are justified according to quantity or method of doing business. This is intended to be a death sentence to sale by individual bargain, in which each customer is dealt with separately and according to mood and tense. The hope is to rid business of unwarranted special concessions, to assure equivalent prices to all customers of like grade and quality.

What is "Price"

Obviously this ideal cannot be obtained unless by "price" one means all the considerations which go into the computation of a net price,—the various discounts, allowances, and payments for special services and facilities. In the past, it has been all too frequently the situation that these other considerations have provided the method whereby extra concessions are made to favored buyers. Limited adjustments for differing methods and quantities are permitted. The principle for other elements in the price contract seems to me clear,—if such special considerations are real, they must be made available "in proportionately equal terms to all other customers competing"; if

they are merely camouflaged price-cuts, they have no place in the price structure.

This Act therefore looks in the direction of a price structure of the type of a single list price with various discounts, discounts either having some semblance to cost or less (in the case of quantity or different methods) or being uniform at some reasonable level (as cash discount, guarantees against price decline and the like).

Narrowed Differentials

While this establishment of a basic uniformity of treatment may prove to be the outstanding development in industries with disorganized price structures, there are many others which have operated under an orderly price structure for years. In such cases, the Act can do no more than modify the existing rates, if that. Frequently, where existing discount practices have grown up under the influence of strong bargaining power on the part of certain buyers, the result has been that large purchasers have obtained concessions which cannot be justified according to the criteria established by the law. The threat by the seller to take his large order to a competitor and the importance of these large orders to the seller, have been sufficient to create wide differentials. With all suppliers limited by their new legal obligations, the result will undoubtedly be some reduction in existing differentials in some industries.

Limitation of Brokerage

At this point, it is necessary to refer to Section 2(c) of the Act which limits the payment or receipt of commissions and brokerage to compensation by the buyer or seller for services rendered the buyer or the seller concerned. Thus, the payment of brokerage by a seller to an agent of the buyer is forbidden and vice versa. This section is aimed at the alleged abuse of the brokerage discount, whereby a large purchaser buying directly or through a dummy agency, exacts payment of brokerage by the seller even though no true brokerage function has been rendered to him. Since this practice is more common among larger buyers, its elimination, unless absorbed elsewhere, will be a further factor tending to reduce the differences in net price between large and small purchasers.

Will Prices Rise or Fall?

Among the innumerable subjects of discussion begotten by the Act, is the question of whether adjustments will be made by advancing the lower prices in the structure or dropping the higher ones. Of course, the law does not specify and I cannot discover any universal answer. If there is any simple guide, it is in the recent price trend and strength of the particular market in question. If prices have been rising and the market is strong, one might expect an upward adjustment of the lower prices; if weak, the adjustment will probably have to be a downward one in the higher prices. In the long run, of course, the average price level will be affected only as the Act leads to more or less efficiency in economic operation. There is no reason to expect that in most industries after the initial period of adjustment, the average price under a condition of narrower differentials will behave any differently from a similar average under wider differentials. The price structure in both instances will move up or down according to the character of the industry and conditions in the market.

Change in Flexibility

In one other respect, the present situation may be altered. These new differentials or discounts will be determined with some care at some point not greater than the cost differences. Once established, they will be slow to change. In many industries, the practice has grown up for the list price to be much more fixed than the various discounts. Modifications in price have been made at this or that point in the discount structure to meet some particular situation rather than by changes in list price affecting all buyers. In the future, price changes in some industries may put more emphasis on the actual list price and less on the discounts.

To carry the logic through to its ultimate conclusions, it is interesting to note that in many cases discounts probably ought to be expressed in dollar terms rather than percentages, since the standards are based on cost. These costs would not necessarily vary in direct proportion to the base price of the product. Thus, a discount based upon the provision of warehousing facilities, would be limited by the cost of performing that function. This cost might remain fixed, so that a wide gap would develop between any fixed percentage discount and the permissible cost limit, as the price of the product changed.

Indirect Price Effects

Parenthetically, may I make two brief observations about the quantity differential situation as it now stands. The first is to note that, inasmuch as the law does not require any differential at all and to the extent that new differentials are below the maximum established by law, due to fear of the law or other reasons, a new form of price discrimination may conceivably emerge, — one in which the large buyer does not receive the differential to which he is entitled by economies produced.

A second point is that, by focussing attention on the costs or economies arising from the scale of purchase, a principle long enunciated by efficiency experts will be brought home—that the extremely small transaction is a very high cost transaction. In some industries, these small sales (for 1/12th of a dozen) are already subject to penalty although not always in proportion to actual expense. While the Act does not directly bear on this type of transaction, it may indirectly have its influence in modifying the treatment given

both these classes of most favored buyers,—the very small or those of any size buying in lilliputian quantities as well as the very large. A similar group of customers who may also find themselves brought unpleasantly into the limelight by cost analysis, are those in scattered territories.

Long-Term Contracts

A special problem arises in cases where long-term contracts enter into the price structure. The Goodyear case is of some help here. The test applied by the Federal Trade Commission was the actual operation of the contract over a period of years. That it might have been equitable when originally signed, was not considered as a defense. It was judged on the basis of performance. In other words, this particular precedent seems to indicate that, while long-term contracts are not outlawed, they cannot provide a justification for price discrimination which may develop later if other less-fixed elements change in the competitive situation. In the same way, other methods of sale, such as the use of quantity discounts on the basis of annual sales, are not outlawed, but they will have to stand the test of actual performance.

Price Publicity

One of the most important implications in this area, is the impetus that it will give to price publicity. One might almost say that the Act gives the purchaser the right to know the price structure of the seller. If such knowledge is refused him and he suspects unfair practices, he can apply to the Federal Trade Commission for aid, and if he can show some grounds for his suspicions, the information can be obtained by legal processes. The wise company, in self-defense, will probably move in the direction of published prices either individually or as part of a price-filing plan. In the Goodyear case, the Federal Trade Commission was particularly disturbed by the secrecy which it felt surrounded certain aspects of the deal. Certainly a publicly announced price structure will be a strong weapon of defense for the company endeavoring to meet the requirements of the law.

Effect on Distribution

The Robinson-Patman Act has often been described as anti-chain legislation. Undoubtedly, in the minds of many, it is significant primarily in its attempt to end undue concessions given to large buyers, a factor which is alleged to have largely been responsible for the expansion of chains and other mass distribution at the expense of the small independent and his supplier, the wholesaler. Such a picture of distribution channels is by far too simple. Among the chains, are various types of organizations. Independent retailers have joined together for joint action in various types of industry groups. And mass distribution is a phrase including the mail-order house and the large department store.

It is important to note that the law will not necessarily affect the manner in which these various enterprises compete in endeavoring to attract the consumer. To the extent that the mass distributor endeavors to capture the market by low prices, he may still continue to do so, with increased competitive effort such as intensified advertising in the hope that he can in some way offset the increased costs from lowered discounts in purchases. He is influenced just as he might be by a tax placed upon him. It is an increased burden, but he is already functioning in the way which he feels is most profitable, and will still continue to do so.

Of course, for certain products where the conditions of discrimination have been of the extreme type which so excited the authors of the Act, there may be readjustments in the prices at which these particular products reach the consumer through different channels. It is hard to believe, however, that such products constitute such a large part of all products as to affect seriously the total operation of different types of outlet. Furthermore, the man who emphasizes a low price policy is quite likely to shift the conspicuous operation of this policy to other products not so vulnerable to the Act, in order to maintain the effectiveness of his sales approach to the public.

Product Differentiation

But there are various possible developments which in some cases may offer a partial avenue of escape. The first is the possibility of so differentiating products that they will no longer be regarded as of the same grade and quality. Most products do not have the uniformity of sugar or salt. With a vivid imagination, one could evolve a scheme of classification of men's shorts which would easily include 100,000 differing grades and qualities. Of course, the sensible test is one of the immediacy of competition. I doubt if a manufacturer could honestly be regarded as making non-competing products if the tapes on all shorts sold to independent retailers were at the side of the waist-band and for mail-order houses were at the rear. Perhaps if zippers were included at the proper points that would constitute a new product. The problem becomes more acute in connection with private brands. Again the sensible procedure will be to consider consumer acceptance. I suspect that various quarts of rye whiskey of less than one year of age cannot be made non-competitive by fixing different labels on the bottles. This is a nice legal problem. However, practically speaking, it is an ignorant manufacturer indeed who does not know who his competitors are, or which of his own products are competitive. Literal and limited interpretation of this phrase would greatly weaken the Act.

Vertical Integration

A second method of avoiding the operation of the Act which has been suggested is for distributors

to acquire manufacturing plants, or contract for an entire plant's output, so that the product does not enter into but the single channel. This has always been possible and has developed on a small scale. But there is little reason to expect that the plant would be operated more efficiently by the mass distributor than by an independent operator, although there might be slight savings in selling expense. Under the Act, the large purchaser is permitted to receive all economies properly arising because of his size. What other economies can be anticipated by independent operation? Obviously it would be an unwise investment of capital unless it can earn a proper return. If the manufacturer was enabled to give excessive discounts to large buyers before, as alleged by some, by loading all the overhead on the small purchasers, then the single large order could not be produced independently at the original price. I cannot find strong reasons for believing that any considerable trend in the direction of vertical integration will emerge although it may tip the scales in some borderline cases. After all, the number of cases where mass distributors require single products in such quantity as to permit manufacturing operations on a scale sufficient to obtain the economies of large scale production are not so many that it is likely to lead to any significant change in present trends. Finally, a business principle which has gained increasing vogue is that enterprises are often unwise to branch out into territories quite foreign to their experience. There is some evidence that the tendency to expand in new directions has slackened in recent years.

Specialization on Customers

Still another possibility is that manufacturers may tend to concentrate their efforts on particular classes of customers, selling exclusively to wholesalers or exclusively to mass distributors. It is hard to see how any such rearrangement could greatly affect the total situation. Such development would of course, open opportunities to other manufacturers in the remaining area. The resultant total price structure would probably be much the same as though the customers were more widely distributed among manufacturers, assuming the operation of the limits on differentials as established by law. The man who concentrates his distribution to a few large customers, would not necessarily be reducing his costs for any one of them below what they would be if the remainder of his business consisted of small orders, already carrying a liberal share of the overhead. It could conceivably work in the other direction. This reasoning may not apply where the advertising allowance problem is an important factor.

I think the various prophecies concerning reorganized channels of distribution have greatly exaggerated the probable changes which may be attributed to the Act. Of course, the whole distributive structure is in something of a state of flux. Only over a period of time, as each manufacturer and distributor studies his prices and costs more carefully, will any new trend become evident. And that trend might very possibly, regardless of any immediate distortions resulting from a laying on of the literal language of the law, be in the direction of an efficient economic evolution because it is based upon knowledge rather than guesswork.

The Nature of Our Economic System

One sometimes wonders how our economic system operates at all. There is no Five-Year Plan to define what should be produced, no regulating body which determines who shall engage in business, or how much each shall produce. Our hope for economic progress has been placed in the belief that improved products and more efficient methods will win in the economic struggle. We have entrusted the vast problem of economic direction and control to the force of competition, working through the price system. How well our system functions is determined in the last analysis by how effectively competition operates, and how sensitive the price system is to conditions in the market-place.

In the past, we have found it necessary from time to time to strengthen the functioning of these forces. When industrial combinations threatened our competitive system, the Sherman Act was passed to deal with these disturbing factors. On the other hand, to keep competition within proper limits, the Clayton Act and the Federal Trade Commission Act were passed. The Robinson-Patman Act is the latest addition to the list. It will undoubtedly have some direct influence on business practices, but probably not as great as the sponsors hoped nor as extensive as I have outlined above. It will of course, be limited by the definition of "commerce" and by the necessity for demonstrating that competition is substantially lessened or that monopoly is promoted or that a competitor is injured. But its long-run effect, providing it leaps its legal hurdles, may come chiefly from its insistence upon greater knowledge—knowledge of costs and knowledge of prices. I am speaking now not in praise or defense of this exact law, but with respect to a possible by-product of this kind of law. If the law is good, a better knowledge of costs will supplement its value. If it is wrong, or its technical faults are too abysmal, such a development might prove a backhanded sort of compensation that we could accept with a wry face, but nevertheless accept. As matters now stand, business policies are all too frequently formulated on the basis of guesswork. We are inclined to insist that our judgments once made, are right. But now business must face some specific questions concerning price structures and concerning channels of distribution. They are

concluded on page 48

TWO RETAIL GROCERS CHECK THEIR 1935 PERFORMANCE

by WALTER MITCHELL, Jr.

THIS week several thousand food retailers who had contributed their 1935 Profit and Loss Statements to the Dun & Bradstreet Retail Survey are receiving their copies of the composite reports for their respective trades. Among them are two proprietors of grocery and meat stores; one extending credit and operating a delivery service in the neighborhood he serves, the other catering to a clientele in search of lowest prices on a cash and carry basis. Essentially these men are competitors because groceries are retailed under both systems in every sizable town. What are the histories of these two stores and their proprietors, and how will they use their Retail Survey reports?

A Credit and Delivery History

John Brown is proprietor of a retail grocery and meat store in a central Iowa town of just under 20,000 people. Just before the beginning of the depression, as he remembers it, the competition of chain store units first became noticeable in his town. The business collapse seemed at the time like a special blow of Providence intended to aggravate his other troubles.

John Brown managed to pull through the depression, but it was a long, hard pull. At the time things tightened up, he had been planning to liquidate a long standing open account with a wholesale grocer who had for years carried him an average of sixty days on the books for most of his requirements. He was planning to take his trade to another wholesaler where, he had been told, considerable money could be saved.

That did not prove possible, but he has since joined efforts in a co-operative plan of improvement which his old wholesaler sponsored. He painted his store front and spruced up the interior in accord with the group requirements. He now believes that he is better off than if he had attempted to shift for himself as a "shopper."

During the depression he used to talk with Joe Smith, his local representative in the State Legislature, about the problem of chain store growth, and he urged on Joe the most drastic taxation and license measures which were then being debated at the State Capitol. Eventually, Iowa enacted a chain store license tax which is still in force but has not yet been passed upon by the Supreme Court. Business in Brown's store, as with most of his independent competitors in the retail grocery field, has picked up during the last two years. In fact, he has learned from various sources that it has picked up more rapidly than the chain store volume and there seems to be reason to believe that the license tax has affected the situation very little one way or another. Brown begins to wonder whether he wasn't more excited on that subject than was really warranted.

Last week when John Brown received his copy of the Dun & Bradstreet Retail Survey, he was interested to note that the typical grocery and meat store covered by the report sold $39,700 in 1935, not far above his own sales volume of about $36,000. He noticed also that the typical store reporting from his trade made a small profit and about two-thirds of the stores shown in the Survey were profitable even after allowing a fair salary for the owner.

After talking it over with his wife, who helps him in the store during the busy hours and handles the bookkeeping for him, John Brown set about to take his bearings from the Retail Survey. Mrs. Brown drew the proper figures from their 1935 income tax blank, converted them to percentages of sales and figured up the other needed operating ratios. Here is how they looked opposite typical figures of stores similar to Brown's Market in sales volume, based on reports from other towns of about the same size. As an afterthought he added the typical ratios for profitable stores selling more than 50 per cent of their volume on credit. Credit business at Brown's Market amounted to only about 30 per cent, but the comparison was interesting.

He wisely kept in mind a paragraph of caution in the explanatory letter which came to him with the Survey report:

"This knowledge of the characteristics of profitable enterprises in your trade will be most constructive if the figures are examined with an understanding of their significance and their dangers. A typical expense or merchandise ratio is a starting point for study, not a mold into which you should pour your business. For instance, if your rent is a larger than average percentage of sales, it may be either that you are paying too much, or that the expense is well justified by a location so good as to decrease your selling costs, increase your inventory turnover and be an actual source of profits. To the extent that your business varies from typical experience you are faced with the problem of deciding whether such differences are advantages or disadvantages; what bearing they may have on profits and what kind of adjustment or change of policy deserves consideration as a method of improving profits."

Profits

Before getting down to a study of the figures in detail, he noted that the usual store operator in his group drew a salary equivalent to 4.7 per cent of sales. He had been accustomed to draw funds as he needed them for living expenses and had charged his own household

ANALYSIS OF THE 1935 OPERATIONS OF
RETAIL SURVEY
prepared by
DUN & BRADSTREET, INC.
RESEARCH AND STATISTICAL DIVISION
Table I—Summary of Typical Experience for 1935
Table IIa—All Concerns—Typical Operating Ratios by Size of Concern and Size of Town—1935
Table IIb—Profitable Concerns—Typical Operating Ratios by Size of Concern and Size of Town—1935
Table III—Trade Information and Typical Operating Ratios by Census Areas—1935
RESEARCH AND STATISTICAL DIVISION
INC.

TABLES APPEARING IN THE RETAIL SURVEY REPORT FOR GROCERY AND MEAT STORES

Reports for more than 100 other trades are being issued. Each report comprises from one to six tables depending on the size of the trade and the number of reports available.

groceries to himself at retail prices just to "keep the books straight." It sometimes seemed to him that he got less out of the store even in good times than he could earn working for someone else. This 4.7 per cent figured against his own sales turned out to be about $1,700 per year which was considerably less than an offer he had received a few years ago with a chain grocery outfit as district supervisor. By way of experiment, he inserted 4.7 per cent as a salary for himself and recomputed the figures. He came out with a 1.2 per cent loss instead of the 3.5 per cent profit on which he had rather prided himself when he started making comparisons.

Apparently Brown's Market ought to be making a profit and reasonable wages for the owner. Other stores of the same size and in the same size of town were doing slightly better than the average for the trade as a whole. An average store made a profit of about 1.8 per cent on sales and the profitable concerns reported a typical gain of 3.0 per cent as compared with Mr. Brown's loss of 1.2 per cent. This "paper loss" was not as serious as some he had sustained during the depression, but if losses were to continue while business improved the future looked discouraging.

Merchandising Policies

The immediate question was whether the loss was the result of too heavy expenses or was directly related to merchandising, the buying and selling of groceries. He found some of both troubles, but more of the latter. He noted from the tables that in general the profitable stores had a better gross margin and turned their inventories over somewhat faster than average. The same differences to a greater degree existed between his store and the Survey figures.

Grudgingly, he admitted that these figures made it look as though the grocery trade paper editors had some reason on their side when they wrote about the importance of sound pricing policy and stock control. John Brown's first job had been that of delivery boy for a grocery where he later clerked. With all but three of his forty years' business experience spent in a grocery store, he had a right to feel that he knew as much about the business as a swivel-chair editor. The fact remained that other people were turning over their stock fifteen or more times a year to his nine and were getting 19 per cent or 20 per cent margins to his 17 per cent.

For one thing, he wondered whether he had "gone along" on too many loss leaders, specials and promotion campaigns merely because of the temptation to meet "cash and carry" competitors. His sales for 1935 ran almost 15 per cent ahead of 1934, as compared with 12 per cent for his profitable competitors and 8.6 per cent for profitable credit stores. Perhaps some of that growth had been a bad bargain, bought with price cuts that took the profit out of his operations. He reached one definite conclusion, that he was going to think twice about the amount of stuff he offered as loss leaders in the future and watch it carefully to see that it brought trade into the store for more profitable items, or made the acquaintance of permanent customers.

The discrepancy in the rate of inventory turnover was harder to solve. Until looking at the Retail Survey figures he had been quite proud of the fact that he reduced his inventory by about $300 during the year 1935 while sales were stepping up. There were just two ways that he could see to explain the figures. He admittedly had on the shelves some prepared foods and grocery items in demand by only a few of his customers, and on which he had overbought. His wife reminded him that these were still in his inventory at original cost, though only a drastic price cut, to a point far below cost, would serve to move them out of the store and some of them would have to be sent to the old folks' home or the orphan asylum. If the inventory were revalued at cost or market, whichever was lower, he suspected it might figure a better rate of turnover on his Cost of Goods Sold.

The second point was that his inventory had turned over during the previous year, 1934, at an even slower rate. Mr. Brown mused with considerable logic that it takes time to adjust one's mental attitude as well as one's inventory to a faster tempo of business. A 50 per cent faster turnover of inventory would really mean something because it would release the working capital necessary to discount his bills. That alone would be a nice rate of interest, 20 per cent per annum or better on the portion of his working capital used to handle inventory. Further, he had good reason to suspect that he was not being quoted rock-bottom discounts on some of his rather important staple items because his wholesaler was carrying him sixty to ninety days on a considerable part of his requirements.

In this connection John Brown resolved on two things: (a) to take an actual physical inventory next Saturday as a mid-year check-up, though he ordinarily has not attempted inventories more than once a year. If he can get it down to a system, he is thinking of doing it every month, as some of the trade editors have suggested. As a result he hopes to weed out some slow-moving items and cut down his stocks of others to the minimum required for adequate service to his customers; (b) he plans to make particular note of items that have been on the shelf more than three months and promote some clearance sales for those slow movers.

The Problem of Expenses

After going over the merchandising problem, Mr. Brown ran his eye back up the column to the expense and profit ratios. The discrepancy between his store and his profitable competitors was almost as great in the matter of expense as it was in the matter of gross margin. The difference of two points in expenses would put him back on the profit side. Moreover, if he could hold his own in the

matter of controlling miscellaneous small expenses and could reduce his other items to the level shown by the average profitable concern he would have a very satisfactory profit.

The most outstanding difference he noted among the expense items was in the salaries and wages of employees. His figure was 6.5 per cent against the usual 4.6 per cent. He was employing two men and a boy, in addition to the time which Mrs. Brown gave to the business. As for his wife, he felt he was being a hard-headed business man rather than a fond husband when he said she was well worth the $25 per month which she drew. He was not so sure about the two men. They were idle a good deal of the time through no fault of their own and they cost him $60 a month per man. Even with the rather stiff requirements of his supplier regarding the trimming of vegetables, keeping the store clean and the stock in order, there was not enough to do.

Just then John Brown remembered a paragraph which he had clipped. It gave some figures computed from the Census on "sales per employee" in different sizes of groceries. For his store, it ought to run just under $12,000 per man (with sales per sales clerk considerably higher). John Brown, to be liberal with himself, counted his wife as his other half and himself as one-half, but anyway the matter was figured he ought to be selling $48,000 worth of goods, or he ought to be getting by with three persons in the store. Fortunately, the solution was easy. One of the clerks was well along in years and had been talking for some time about settling down with his daughter-in-law on a farm outside town. When he had suggested leaving, Brown had urged him to stay. Brown liked to feel that he had three employees. But the move now seemed logical for all parties concerned and if Brown's Market was ever going to make money, it ought to begin at present business levels.

Typical Figures

	Profitable Stores	All Stores	Profitable Stores		My Figures	
Sales Volume	Cash & Carry	$30,000 to	$30,000 to		for 1935	
Population of Town	Stores	$50,000	$50,000		$35,872	
Profit & Loss Statement	(all Sizes)	Under 20,000	Under 20,000		17,713	
Cost of Goods Sold	79.8	82.0	80.9		83.1	
Total Overhead Expense	17.8	16.7	16.1		18.1	12.5
Salaries of Owners Officers	4.7	4.7	4.7		4.7	--
" & Wages of Employees	5.9	4.7	4.6			6.5
Rent	1.3	1.3	1.3			1.2
Advertising	0.5	0.5	0.5			1.0
Light & Heat	0.7	0.8	0.7			1.2
Taxes	0.4	0.4	0.4			0.5
All Other Expenses	4.3	3.8	3.9			3.0
Profit or Loss	1.4	1.8	3.0		(L) 1.4	0.5
Merchandise Ration	70.4					
Gross Margin (% of Sales)	25.3	18.0	19.1			16.9
Realized Mark-Up (% of Cost)	36.3	22.0	23.6			--
Inventory Turnover	16.3	14.0	15.0			9.2
Trend of Sales 1934-35	+ 8.6	+ 3.9	+ 11.8		+ 14.8	

Mr. Brown's figures.

As for rent, Mr. Brown is well satisfied with his location and he has several times patted himself gently on the back for having renewed his lease for five years dating from 1932, with his landlord carrying half the cost of renovating the store at the time he decided that was advisable.

He saw no very convenient way of reducing light and heat charges, even though they were running above average. He had definite evidence that the better lighting which he installed in renovating the store had helped to draw new customers and favorable remarks from old customers.

He had more or less settled his advertising policy in his mind when he studied the merchandising problem. In any case, the difference of 0.5 per cent between his cost and the typical figure did not seem worth a major amount of worry. He merely made a mental note that every expenditure in the future would be planned with his new policies in mind.

A Monthly Budget

He then laid out a tentative budget for the remainder of 1936. Sales were running somewhat ahead of 1935 and he hopes to increase them further, but he figured the three of them not counting his wife's time could handle the store the rest of the year, except for the Thanksgiving and Christmas rush when he would need some extra help.

He decided on more careful buying, particularly on his meat and vegetable line, along with more attention to pricing and fewer "loss leaders" unless they yielded real business. His "goal figure" was set at a 19 per cent average realized margin. He left the 4.7 per cent owner's salary ratio in the budget, figured the effect of the reduction of the store personnel by one person and the effect on the various expense items of other changes in policy. With every reason to hope that sales will exceed the estimated $3,000 per month in the remaining months of 1936, he is looking forward to a profit as good or better than this monthly budget predicts.

Monthly Budget—Remainder of 1936

	Per Cent	*Dollars*
Sales (minimum)	100.	$3,000
Cost of Goods (Est. with 19% margin)	81.	2,430
Owner (and wife)	4.7	140
Employees (clerk and boy)	4.5	135
Rent	1.2	36
Advertising	.7	20
Light & Heat (Winter months higher)	1.0	30
Taxes (reserve)	.5	15
All Other (reserve for insurance, gasoline for delivery car, etc.)	3.0	90
Total Expense	15.6	$466
Profit	3.4	$104

A Cash and Carry History

The story of Jim Rounds is interesting in another way. From about 1930 to 1934 he was assistant manager of a sizable chain grocery store unit in a Texas town. Three years ago he obtained a month's leave of absence and satisfied his life-long ambition to see California. He returned so impressed with the modern and aggressive retailing of groceries on the Coast that he resigned his job with the chain organization, obtained some financial backing from relatives to supplement his own savings, and bought a grocery in his home town, an eastern Oklahoma community of about 25,000 people. He decided to bid for volume in staple foods on a cash and carry basis, in the belief that Oklahoma citizens would take to groceries marketed in a new and attractive way.

In the first year of operation, his sales were about $23,000. In the second year they were almost $140,000. He counted on having to draw a good deal of trade from the farming areas around the town in order to build up the $150,000 volume he had in mind. Now that he has almost reached his goal he finds that 85 per cent of his trade is with the local townspeople and his trade with rural customers has only begun to expand.

Mr. Rounds had his bookkeeper set up the comparative figures in percentage form and the results which he looked over were rather more a cause for self-satisfaction than a source of any management suggestions.

He was making more than twice as good a profit as his profitable competitors and almost five times the percentage of profit recorded by the average grocery and meat store similar to his own in volume and size of town. He felt rather pleased to note that he was giving his customers real values with a margin 5 per cent lower than the typical store, hence his profit was the result of exceptionally low expense, about one-half the usual rate. A great part of his saving is on labor cost since the market is laid out to permit customers to wait on themselves to a considerable extent. His miscellaneous expenses are exceptionally low because he has no credit losses or delivery costs.

In making the comparison, he noted a supplementary report, showing the contrast between the ratios of the general run of grocery and meat stores and those doing a cash business. He was pleased to note that his expense and margin were both lower than the usual rate in such stores.

The remaining merchandise ratios showed that his inventory was turning over twenty-one times per year as against sixteen times for competitors in his size of town and about eighteen times for the general run of cash stores. The rate of expansion was hardly a fair comparison because it represented a radical change in management and policy. His own sales increase figured about 600 per cent in one year against the usual rate of 3 per cent for small town competitors and about 16 per cent for profitable cash stores.

Jim Rounds' net conclusion was that he had better do something about the $100 a month which he had been drawing for salary and which his wife had managed to make sufficient for their modest living. If the average owner of a business like his was worth a salary equal to 2.6 per cent of sales, 2 per cent or $235 per month would certainly be conservative. If he continued to plow back the profits remaining after such a salary, he felt that he would have adequate working capital to finance the growth of the store.

Mrs. Rounds who encouraged her husband to make the jump, and kept up his spirits during the difficult first year of operation, is alleged to be pleased with the results of the Dun & Bradstreet Survey.

1935 OPERATING FIGURES

	Profitable Concerns	Profitable Cash Concerns	Round's Square Deal Grocery
Size of Store	Over $100,000	All Sizes	$132,191
Size of Town	20 to 100,000	All Sizes	25,500
Cost of Goods Sold	79.5%	82.1%	85.0%
Overhead Expense: Total	18.4%	14.7%	9.9%
Salaries of Owners and Officers	2.6%	4.0%	0.9%
Salaries & Wages of Employees	9.5%	4.6%	4.4%
Rent	1.2%	1.4%	0.8%
Advertising	0.8%	0.7%	1.1%
Light and Heat	0.7%	0.8%	0.7%
Taxes	0.3%	0.3%	0.0%
All Other Expense	3.3%	2.9%	2.0%
Profit (or Loss)	2.1%	3.2%	5.1%
Gross Margin (Per cent of net sales)	20.5%	17.9%	15.0%
Realized Mark-up (Per cent of Cost)	25.8%	21.8%	17.7%
Inventory Turnover (Times per year)	16.4%	13.3%	21.5%
Ratio - Net Sales to Closing Inventory	20.9	15.8%	26.1%
Trend of Sales 1934 - 1935	+3.1	+15.8%	+ about 600%

Mr. Rounds' figures.

WIDER PROGRESS RECORDED FOR RUBBER GOODS TRADE

by RAYMOND BRENNAN

THE substantial recovery which occurred in the rubber goods trade during the last half of 1935, following the recession in the early part of that year, has made further progress thus far in 1936. Wholesalers of mechanical rubber goods, belting, packing, and specialties booked orders during the first five months that were 15 to 20 per cent larger than in the corresponding 1935 period. Retail sales of sundries and novelties rose 10 to 12 per cent, and for rubber footwear the increases ran up to 20 per cent, with carry-overs negligible at the close of the Spring season.

Production during this period was advanced 8 to 20 per cent from the 1935 comparatives, with the exception of the automobile tire division. In the latter, output for the first five months was lowered 1.5 per cent. The inventory position, however, improved, as tires in the hands of manufacturers at the end of May were 26.5 per cent under the number held a year earlier. The expanding activity of the industry can be gauged by the more rapid rate of crude rubber consumption, which in April reached the largest tonnage for any one month on record.

Production Level Raised

With the exception of automobile tires, nearly every division of the rubber goods industry operated on higher schedules this year than during the comparative five months of 1935. Production of rubber footwear was at the best rate in several years, due to stock depletion during the severe weather last Winter and the Spring floods. Gains of 15 to 20 per cent were recorded for output of mechanical and industrial goods, while the increase in sundries and rubber specialties ranged from 8 to 12 per cent.

In automobile tires (pneumatic casings), on the other hand, production during each of the first three months of 1936 was smaller than a year ago. In April, however, output rose to 4,854,000 units, exceeding the March total of 3,628,000 by 33.4 per cent and that of April, 1935, by 7.6 per cent. May production continued to rise, going to 4,971,000 units, a gain of 2.4 per cent from April, and larger by 19.1 per cent than the May, 1935, total of 4,175,000 and by 11.6 per cent than the May, 1934, output of 4,456,000 units.

Automobile Tire Production *

(Pneumatic Casings)

Year	Total Number	Per Cent Change
1922	40,932,000	....
1923	45,259,000	+10.6
1924	51,633,000	+14.1
1925	60,845,000	+17.8
1926	61,237,000	+ 0.6
1927	64,439,000	+ 5.2
1928	77,944,000	+21.0
1929	68,726,000	−11.8
1930	50,965,000	−25.8
1931	48,739,000	− 4.4
1932	40,085,000	−17.8
1933	45,304,000	+13.0
1934	47,233,000	+ 4.3
1935	49,362,000	+ 4.5

(*) Source: Rubber Manufacturers' Association.

In spite of the increase recorded for April and May, however, production for the first five months of 1936 was only 21,619,000 tires. This was less by 1.5 per cent than the 22,042,000 units turned out in the comparative 1935 period, and 4.6 per cent under the corresponding 1934 total of 22,663,000.

This decrease was expected, due to the gains during the last half of 1935 to take care of the advancement of the opening date of the new automobile season, which brought output for that year to 49,362,000 tires. The latter represented an increase of 4.5 per cent over the 47,233,000 turned out in 1935, and was the largest production for any year since 1930, when the total was 50,965,000.

51,000,000 Tires for 1936

It also marked the third successive annual gain, as the number of units was more by 9.0 per cent than the 45,304,000 made in 1933, and more by 23.1 per cent than the 1932 production of 40,085,000, which was the smallest in more than a decade, being under that for any year back as far as 1922, the earliest period for which statistics are available, when production amounted to 40,932,000 units. The 1935 production was ahead of that of 1931 at 48,739,000 by 1.3 per cent, and was under the 1930 total of 50,965,000 by only 3.1 per cent.

As schedules of manufacturers of automobile tires are expected to reach the year's high during the third and fourth quarters, trade estimates have placed 1936 production at 51,162,000 units, or an increase of 3.2 per cent over the 1935 total. This would represent the largest output since 1929, when it amounted to 68,726,000, and would be about in alignment with the 1924 output of 51,633,000. The annual production capacity of the automobile tire industry is approximately 68,175,000 units.

The original equipment business, following the upturn in automobile production has been at the best rate since 1929. The replacement business, however, showed a drop of about 15 per cent during the first quarter from the 1935 comparative, but at the end of the first five months had gained sufficiently to narrow the decrease to around 3 per cent.

Tire Inventory Lowered

With production under that of the year preceding during the first

five months of 1936, heavy inroads were made on tire inventory. Pneumatic casings in the hands of manufacturers at the end of each of the five months this year were less than for the corresponding periods of both 1935 and 1934.

At the end of 1935, the inventory of automobile tires had been reduced to 8,196,000 units from the high for that year of 11,675,000, which was reached at the end of March. This was the smallest year-end total since 1932, when it was 7,644,000.

On January 31, 1936, the number had risen to 8,918,000 and in February increased further to 9,265,000. The steady reduction in the months that followed, however, left the number of pneumatic casings in the hands of manufacturers on May 31 at 8,176,000.

Inventory of Automobile Tires *

(Pneumatic Casings)

	Thousands of Units		
At end of	1934	1935	1936
January	9,684	10,398	8,918
February	10,725	11,530	9,265
March	11,651	11,675	9,087
April	11,981	11,003	9,034
May	11,127	11,131	8,176
June	10,219	10,755	.....
July	9,437	8,850	.....
August	8,697	7,805	.....
September	8,419	8,288	.....
October	8,657	8,291	.....
November	8,779	8,249	.....
December	9,455	8,196	.....

(*) Source: Rubber Manufacturers' Association.

This was a decrease of 9.5 per cent from the stocks on hand a month earlier, 26.5 per cent below the 11,130,000 on May 31, 1935, and also 26.5 per cent under the comparable 1934 total of 11,127,000. It was the smallest inventory recorded for any month since August 31, 1935; at that time it was 7,805,000 units.

New Consumption Record

With the gross tonnage output of the rubber goods industry in 1935 estimated to have exceeded by at least 5,000,000 pounds the previous record set in 1929, and to have been 75 per cent greater than the average for the past ten years, rubber consumption set a new all-time high during the first five months of 1936. Crude rubber consumption

Consumption of Crude Rubber *

(United States)

Year	Long Tons	Per Cent Change
1921	170,504	....
1922	282,560	+65.7
1923	305,694	+ 8.2
1924	328,769	+ 7.5
1925	308,481	− 6.2
1926	366,149	+18.7
1927	371,027	+ 1.3
1928	441,340	+19.0
1929	469,804	+ 6.4
1930	375,980	−20.0
1931	348,986	− 7.2
1932	332,000	− 4.9
1933	400,719	+20.7
1934	453,223	+13.1
1935	496,216	+ 9.5

(*) Source: Rubber Manufacturers' Association.

in the United States during April reached 51,987 long tons, according to statistics compiled by the Rubber Manufacturers' Association. This was the largest amount of rubber ever consumed in any one month. The previous peak was in June, 1933, when the total was 50,743 tons. May consumption decreased about 2.7 per cent from this peak, dropping to 50,482 tons, but was 28.8 per cent larger than May, 1935, at 41,101 tons.

This brought total consumption for the first five months of 1936 to 230,334 long tons, establishing a new high for the period. It was larger by 5.5 per cent than the 1935 comparative of 218,258 tons, and 7.4 per cent ahead of 1934. The corresponding 1933 and 1932 totals were exceeded by 75.1 and 54.1 per cent, respectively. This gain extended the rise of 1935, when the total went to 496,683 tons, surpassing the previous peak of 469,804 in 1929.

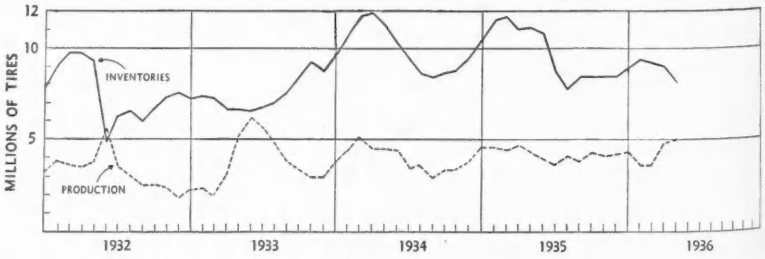
World rubber consumption also made a new record in 1935 by totalling 938,000 tons. While most estimates set but a slight increase over this figure for 1936, it is evident that inroads upon rubber stocks may reach 100,000 tons for the year. At the end of May, total world stocks of crude rubber had been reduced to 532,411 tons, a decline of 21.4 per cent from 677,569 in May, 1935, and the smallest since May, 1931, at 528,855 long tons.

More Rubber in Automobiles

Of the 496,683 long tons of rubber that went into use in the United States during 1935, making a new peak, 75 per cent was consumed by the automobile industry. This percentage is expected to reach around 80 for 1936, due to the increasing trend toward greater riding comfort and safety in operation. The 1937 models doubtless will be more uniform in the provision of rubber-cushioned power plants and rubber-cushioned bodies, as most manufacturers have become appreciative of the public's demand for better protection and insulation against road shock and road noises.

More of the 1937 automobiles will feature rubber parts than those of the current year, and there will be a wider use of sponge rubber and rubber bushings. There also will be more rubber cushioning of springs, either semi-elliptical or coil, and the employment of rubber brake pedals and floor mats will be extended. Rubber parts on the exterior of the models will include headlamp mounting pads, cowl ventilator seals and rain pipes, windshield wiper blades, trunk seals, gas tank filler neck grommets, shims for mounting body to

TIRE PRODUCTION AND INVENTORIES *



(*) Source: The Rubber Manufacturers' Association, Inc.

In spite of the increase recorded for both April and May, tire production for the first five months of 1936 was only 21,619,000 units, or less by 1.5 per cent than the 1935 comparative at 22,042,000. The lower output reduced inventories, which at the end of May were down to 8,176,000 tires, a drop of 26.5 per cent from 1935.

frame, bumper and fender steps on rumble seat models, and rear deck mats on the business coupe and six-wheel models.

Price Trend Inclining

The first increase since November 1, 1934, which occurred on May 4, advanced retail selling prices of automobile tires from 5½ to 13 per cent. This new schedule, however, did not represent an increase in the official list price, but merely reinstated the official list which was established on November 1, 1934. The latter subsequently was invalidated by the severe price wars in 1935.

The rising cost of the raw material, resulting primarily from broadening consumption of processed rubber products, caused a further upward revision of 4 to 5 per cent in retail tire prices early in July. Rubber footwear, raincoats, galoshes, and sundries are 8 to 10 per cent higher than at the beginning of the year. Mechanical and industrial goods have been marked up 4 to 8 per cent.

The average spot quotations on standard rubber smoked sheets at New York stood at 15.98c. a pound for April, the highest level reached since 1929, when the annual average was 20.55c. It compared with 11.55c. in April, 1935, and 12.10c. in April, 1934. Over April, 1933, at 3.56c., this year's quotation was higher by 348.9 per cent, and 417.1 per cent more than the 1932 figure at 3.09c.

Profit Margins Narrow

More progress has been made in price and competitive stabilization since the first of the year, and particularly since the advance in retail selling prices of automobile tires early in May. Because of the rising quotations on the raw material and some wage increases granted to terminate labor difficulties, not all companies were able to show a betterment in profits, as compared with their 1935 statements, despite the widening distribution. While it is probable that the industry, as a whole, earned more money during the first six months of 1936 than for any comparable period since 1931, profit margins were narrow.

As nearly all of the tire manufacturers, however, have held closely to their profit ratios of 1935, which in many instances marked the first time since 1930 that a loss had not been recorded, a substantial improvement in earning power is indicated for the second half of the current year. The prospects are based on the uninterrupted broadening of automobile sales, the higher prices negotiated on May 4 for replacement tires, and on July 1 for most original equipment contracts.

Imports of Crude Rubber *

(Gross)

Year	Long Tons	Per Cent Change	Declared Value
1922....	301,076	....	$101,843,188
1923....	309,144	+ 2.7	185,060,304
1924....	328,056	+ 6.1	174,231,331
1925....	396,642	+20.9	429,705,014
1926....	413,338	+ 4.2	505,817,807
1927....	426,258	+ 3.1	339,874,774
1928....	439,731	+ 3.2	244,854,973
1929....	560,084	+27.4	239,178,783
1930....	482,082	−13.9	139,134,330
1931....	497,138	+ 3.1	72,918,949
1932....	409,584	−17.6	31,936 459
1933....	407,817	− 0.4	44,034,064
1934....	449,322	+10.2	97,898,519
1935....	453,135	+ 0.8	115,299,448

(*) Source: *The Rubber Age.*

World Stocks of Crude Rubber *

(Long Tons)

At end of	1931	1932	1933	1934	1935	1936
January	510,296	638,416	634,797	661,948	698,153	600,479
February	516,123	626,819	626,227	663,308	686,195	599,355
March	532,080	629,894	638,428	666,382	678,809	574,594
April	531,832	630,803	629,159	658,796	677,006	558,583
May	528,855	627,474	626,537	689,239	677,569	532,411
June	533,021	595,712	613,055	672,804	671,525	.....
July	548,794	589,037	618,258	676,200	679,061	.....
August	555,931	597,274	617,449	674,702	680,644	.....
September	561,838	599,986	623,683	694,361	661,509	.....
October	588,873	609,368	636,597	680,616	655,000	.....
November	605,684	614,342	642,968	684,408	623,300	.....
December	628,826	629,898	654,890	705,975	611,987	.....
Monthly Average	553,513	615,752	630,171	677,395	666,729	.....

(*) Source: *Survey of Current Business.*

Low Failure Total Held

Although failures in the rubber goods industry in 1935 were the fewest on record, the reduced level was maintained during the first five months of the current year. Only 2 bankruptcies occurred during that period, which compared with 5 for the twelve months of 1935, and both of these were manufacturers. No failures were reported for either wholesalers or retailers.

The liabilities involved in these 2 failures, however, amounted to $616,600, which exceeded the total for any full year back to 1932, when 14 failures carried a defaulted indebtedness of $923,883. This sharp increase over 1935, when liabilities for the entire twelve months was only $172,065, was due to the indebtedness of $606,600 of one of the manufacturers that went into bankruptcy.

The complete insolvency record of the rubber goods industry since 1927, including the first five months of 1936, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

Year	Number	Liabilities
1927	4	$1,576,900
1928	6	238,200
1929	4	268,000
1930	4	67,200
1931	8	1,952,170
1932	14	923,883
1933	7	139,968
1934	5	62,551
1935	4	172,065
1936*	2	616,600

Wholesalers and Retailers

Year	Number	Liabilities
1927	11	$133,400
1928	9	95,000
1929	2	4,600
1930	4	50,200
1931	7	212,100
1932	12	514,800
1933	6	68,888
1934	2	23,810
1935	1	892
1936*	..	.....

(*) January to May, inclusive.

These statistics of commercial failures are exclusive of applications under Section 77-B. From June 7, 1934, when Section 77-B of the New Bankruptcy Act became effective, to June 4, 1936, applications were filed under this section by 2 manufacturers in this industry and by no wholesalers or retailers.

SECOND QUARTER ESTABLISHES LOW RECORD FOR 77-B CASES

WITH June reports of applications for reorganization under 77-B totalling 59 cases, the quarter's total of 155 continues at an accelerated rate the decline reported each quarter since the second quarter in 1935, the record three months' period.

The revised monthly figures covering the entire period since the amended law went into effect, are as follows:

Comparison of 77-B Applications and Commercial Failures

1934	77-B Applications	Commercial Failures
June	103	992
July	93	870
August *	102	872
September	61	771
October	72	1,039
November *	100	882
December	93	933
Total 7 Months, 1934.	624	6,359
1935		
January *	104	1,146
February	74	956
March	84	940
April	112	1,083
May *	133	1,004
June	65	944
July	79	902
August *	94	884
September	51	787
October *	94	1,056
November	44	898
December	77	910
Total, 1935	1,011	11,510
1936		
January *	84	1,077
February	70	856
March	50	946
April *	50	830
May	46	832
June	59	773
Total 6 Months, 1936.	359	5,314
Total U. S.	1,994	23,183

* A five-week month.

With this issue, past records of 77-B cases have been completely revised. Every case on record since the Act went into effect, has been carefully re-examined. In some few instances, the more complete records now available show the concern to have employed regular bankruptcy procedure rather than that of 77-B and it was therefore eliminated from the tabulation. On the other hand, a few companies had made a second 77-B application at some time after the first one had been withdrawn, dismissed or settled. The most important addition, however, occurred through including as separate cases, subsidiaries which petitioned along with the parent company. The result is a net increase in the number of cases reported over the entire period of thirty-one, the added cases appearing mostly in the 1934 record.

Inasmuch as the data are reported weekly, the new tabulations have been made on the basis of four or five weeks per month, as indicated in the table. The reports are for weeks ending on Thursdays and are included in the month of the closing date. The five-week months are designated in the table by asterisks. Each quarter, however, includes thirteen weeks. The failures record, on the other hand, is based upon the number of business days in the month.

The revised table indicates that much of the erratic appearance of the monthly record is due to the irregular number of weeks. For comparison, the results should be put on a per week basis. Using this method, April, with an average of 10 cases per week, was the low point, with May increasing to nearly 12 and June to 15 cases per week.

In examining the records of the June cases, perhaps the outstanding feature is the number of unmatured enterprises which were seeking reorganization. The dates of incorporation for the fifty-two cases where detailed records were available are as follows:

1930-1935	25
1925-1929	8
1920-1924	4
1910-1919	10
1900-1899	3
Before 1900	2

Of the twenty-five companies incorporated between 1930 and 1935, fifteen appeared to be new enterprises rather than merely the adoption of a new form by a previously existing concern. In general, they were small companies, inadequately financed and started by men with no outstanding record behind them and often inexperienced in the new type of venture. To ilustrate, one was an effort by an inexperenced manager to operate an inn which had a perfect record of always ending in bankruptcy or receivership under all previous managements. Another was a trucking company whose owner had been involved in a series of unsuccessful ventures of various kinds. Three companies had never succeeded even in paying for their original machinery and equipment.

The record for the month by major industry groups is given in the following table:

77-B Applications by Main Divisions of Industry—June, 1935-1936

	June, 1936	May, 1936	June, 1935
Manufacturing	17	25	26
Wholesale Trade	7	6	11
Retail Trade	12	3	12
Construction	1	3	..
Commercial Service	7	3	8
Others *	15	6	8
Total U. S.	59	46	65

* Not included in tabulation of commercial failures, such as real estate and investment companies.

The record for June was rather unusual in the small proportion of cases of manufacturing enterprises, and the large number in the "all other group." The only manufacturing group in which any concentration was evident, was textiles with six cases. In the trade groups, there was a wide scatter, except for three restaurant corporations in retail trade. The commercial service group included two hotels and two trucking corporations. Nine of the sixteen cases in the "other" group were real estate corporations.

The outstanding case of the month was the application of one

of the largest existing retail chains, a holding company incorporated in 1933, having seven direct and over fifty indirect subsidiaries, with stock holding in eight other closely allied concerns. A consolidated balance sheet as of December 31, 1935, showed assets of $21.8 millions, with current liabilities of $8.2 millions, funded debt and mortgages of $5.5 millions, preferred stock at $9.4 millions, common stock at $1.3 millions and a deficit of $2.6 millions. A major factor in its financial difficulty is alleged to be burdensome carrying charges on real estate holdings.

One other case involves a jewelry enterprise established in 1830 and in the control of one family for three generations. It has been in creditors' hands since 1934.

In compiling the revised series, additional information now available made it possible to make a completely new tabulation by quarters according to industrial classification, following the scheme now used for the failures records. The failures record covers only enterprises engaged in manufacture, wholesale and retail trade, construction and commercial service. The 77-B cases reported give a complete coverage, so a sixth category has been added to include these added cases. The largest number of cases in this group are real estate and financial enterprises, the entire "other" group constituting about one-fifth of all cases reported. Because of the difference in the character of the court record, it is not possible to prepare a tabulation for 77-B cases comparable to the liabilities figures for failures.

The summary figures for all cases since the amendment went into effect indicate that manufacturing is by far the most important group, including over two-fifths of the total number of 77-B cases. Within this category, the food group is the largest, due in considerable degree to the number of breweries which have sought 77-B reorganization. The construction group is small because so few construction enterprises are incorporated, a necessary condition for utilizing the 77-B procedure. In retail trade, restaurants (including bars and grills) are the leading group, while hotels are the most important in commercial service.

The only major group to show any increase in the current quarter is wholesale trade, in which the increase in the food group is notable.

The complete record by quarters is given in the following table:

Quarterly Record of 77-B Applications by Divisions of Industry—1934-1936

	1934			1935				1936		
MANUFACTURING	June	III	IV	I	II	III	IV	I	II	Total
Foods	4	27	31	32	24	14	13	15	10	170
Textiles	4	18	11	10	17	18	7	18	10	113
Forest Products	3	8	5	9	13	6	7	6	8	65
Paper, Printing and Publishing	6	12	2	6	11	8	5	5	4	59
Chemicals and Drugs	1	2	5	5	4	4	3	4	2	30
Fuels	2	8	7	7	2	9	8	4	3	50
Leather and Leather Products	1	2	5	8	5	3	2	5	4	35
Stone, Clay, Glass and Products	1	9	6	8	5	5	5	4	3	46
Iron and Steel	4	10	10	6	8	6	4	6	2	56
Machinery	3	9	5	13	10	4	8	5	3	59
Transportation Equipment	2	2	2	3	2	4	1	1	1	18
All Other	1	4	10	10	15	9	9	7	11	76
Total Manufacturing	32	111	99	117	116	90	72	80	61	777
WHOLESALE TRADE										
Farm Products, Foods Groceries	3	2	7	7	17	7	8	4	10	65
Clothing and Furnishings	..	1	..	1	..	..	2	1	..	5
Dry Goods and Textiles	..	..	..	..	1	2	2	..	..	5
Lumber, Bldg. Materials, Hardware	1	6	2	6	9	9	4	9	4	50
Chemicals and Drugs	1	1	1	1	1	..	4	1	..	10
Fuels	..	2	4	1	2	2	..	1	..	12
Automotive Products	..	2	3	2	3	..	4	..	2	16
Supply Houses	2	..	1	2	3	3	..	1	2	14
All Other	1	4	3	4	5	2	3	3	3	28
Total Wholesale Trade	8	18	21	24	41	25	27	20	21	205
RETAIL TRADE										
Foods	..	3	2	7	4	2	7	4	2	31
Farm Supplies, General Stores	..	..	..	..	2	..	..	..	..	2
General Merchandise	3	18	8	4	5	4	4	2	3	51
Apparel	2	6	11	8	16	5	6	12	1	67
Furniture, Household Furnishings	..	4	4	2	8	6	2	3	3	32
Lumber, Bldg. Materials, Hardware	..	4	3	3	9	4	2	1	..	26
Automotive Products	1	4	5	4	2	4	4	4	3	31
Restaurants	..	7	13	17	9	10	15	8	4	83
Drugs	..	..	..	1	3	3	3	2	..	12
All Other	2	4	5	1	5	3	4	2	5	31
Total Retail Trade	8	50	51	47	63	41	47	38	21	366
CONSTRUCTION										
General Contractors	..	..	2	..	3	1	1	1	..	8
Carpenters and Builders	..	..	..	..	..	..	..	..	2	2
Building Sub-Contractors	..	1	2	1	1	..	..	1	..	6
Other Contractors	1	..	1	2	..	1	1	2	2	10
Total Construction	1	1	5	3	4	2	2	4	4	26
COMMERCIAL SERVICE										
Cleaners and Dyers, Tailors	..	2	3	..	2	1	..	2	1	11
Haulage, Busses, Taxis, etc.	..	4	4	2	5	3	4	9	6	37
Hotels	5	10	10	8	17	13	6	9	5	83
Laundries	1	1	5	5	2	4	2	6	2	28
Undertakers	..	..	..	1	..	..	..	..	..	1
All Other	6	2	4	1	3	3	3	2	1	26
Total Commercial Service	12	19	26	17	29	24	15	28	15	186
OTHERS *										
Real Estate, Holding, and Investment Companies	36	48	48	43	46	28	41	29	27	346
Clubs, Schools, Associations	..	2	2	7	6	5	4	1	4	31
Railroads, Terminals, etc.	2	1	9	3	3	5	4	..	1	28
Theatres	3	2	1	..	..	2	..	1	..	9
Miscellaneous	1	4	3	1	2	2	3	3	1	20
Total Others	42	57	63	54	57	42	52	34	33	434
Total U. S.	103	256	265	262	310	224	215	204	155	1,994
Railroads—Section 77	..	...	..	1	1	1	4	..	..	.....

* Not included in classification of commercial failures.

ANALYZING THE RECORD OF COMMERCIAL FAILURES

COMMERCIAL failures again recorded an appreciable decline in number, resulting in the lowest June figure since 1920. Liabilities fell so drastically that one must go back thirty years to find so small a June figure. For many years until this month, liabilities as reported have regularly exceeded $10,000,000 by a comfortable margin.

June Failures, 1920-1936

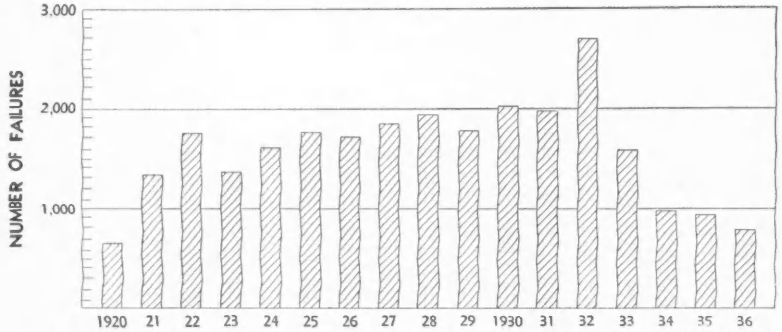
1936	773	$9,176,783
1935	944	12,918,152
1934	992	20,591,270
1933	1,576	33,516,629
1932	2,688	76,931,452
1931	1,993	51,655,648
1930	2,026	63,130,762
1929	1,767	31,374,761
1928	1,947	29,827,073
1927	1,833	34,465,165
1926	1,708	29,407,523
1925	1,745	36,701,496
1924	1,607	34,099,031
1923	1,358	28,678,276
1922	1,740	38,242,450
1921	1,320	34,639,375
1920	674	32,990,965

That the June figure is the lowest recorded as yet this year, is not unexpected. The usual pattern for the year is a decline from January to September, with increases during the last three months of the year. The first six months of 1935 recorded 6,073 failures, while the same period in the present year totalled 5,314, or a reduction of 12.5 per cent. However, for the last three months, the spread has been considerably greater, the June figure being in number of failures 18.1 per cent below that of a year ago.

The liabilities record tends to follow that of the number of failures, but is much more irregular. The total liabilities figure of course, gives great weight to the few cases where liabilities are unusually large. However, as will be clearly demonstrated later in the analysis, the low June figure was the result of decreases in virtually all divisions of industry and the size groups.

In any long range comparisons, it is important to keep in mind that the 77-B reorganization procedure was first effective in June, 1934. The current analysis is therefore the first month for which three-year comparisons for any month are possible without making allowance for these cases. Unfortunately, it is not possible to obtain liabilities figures for the 77-B cases, but the most casual examination indicates that the 77-B cases tend to include the larger cases. The revised figures for 77-B cases, published for the first time this month, show that the numbers involved in both methods of liquidation have tended to move in parallel lines. In both instances, the quarter just ended is the lowest quarter in recent years.

RECORD OF JUNE FAILURES



The total of 773 business failures during June represents a decline from June, 1935, of 18.1 per cent. The reduction in total liabilities reported was even greater, to the lowest June figure in thirty years.

Number of Failures

	1936	1935	1934	1933
January	1,077	1,146	1,317	2,851
February	856	956	1,017	2,309
March	946	940	1,069	1,881
April	830	1,083	1,020	1,859
May	832	1,004	942	1,846
June	773	944	992	1,576
July	...	902	870	1,360
August	...	884	872	1,430
September	...	787	771	1,077
October	...	1,056	1,039	1,165
November	...	898	882	1,189
December	...	910	933	1,083
Total U. S.	...	11,510	11,724	19,626

Liabilities

(Thousands of dollars)

	1936	1935	1934	1933
Jan.	18,104	14,603	29,035	76,937
Feb.	14,089	15,217	16,772	61,939
Mar.	16,271	15,361	24,002	45,026
Apr.	14,157	16,529	22,871	47,368
May	15,375	14,339	20,787	44,646
June	9,177	12,918	20,591	33,517
July	.....	16,523	16,555	25,123
Aug.	.....	13,266	15,703	38,067
Sept.	.....	17,002	15,552	20,781
Oct.	.....	17,185	16,973	27,799
Nov.	.....	14,384	14,376	22,414
Dec.	.....	15,686	16,981	23,842
Total U. S.	.....	183,013	230,198	467,459

Insolvency Index

The most significant single figure in the record is the insolvency index. It corrects the figures for number of reported failures so that the underlying trend of commercial failures is depicted much more accurately. This index measures the annual rate at which business concerns would fail if the number of actual failures and the estimated total number of business enterprises in any one month prevailed throughout the year. To obtain the index number, failures in the month are divided by the number of working days in the period and the result is multiplied by the number of working days in the year. The number of business concerns is determined from the number of names listed in the Dun & Bradstreet Reference Book. The index has lately been revised, and the revised figures since 1933 are given in the table along with figures for earlier years.

The adjustment of June failures to the number of working days in the month and to the estimated number of commercial enterprises in business, results in an annual rate of 44.6 failures for each 10,000 firms in business. The fact that there was one less working day in June than in May, while the number of concerns is estimated to have remained approximately the same, explains the fact that the decline in the index is less than that shown by the unadjusted figures themselves.

The adjustments made in computing the index tend to smooth out most of the irregularity shown during the six months by the original data. A comparison of the record of the first six months of this year with that shown by the index for 1925-1929, indicates a surprising similarity in movement for the six months, taking 100 as the average record for the six-month period:

	1936	1925-1929
January	120.2	121.2
February	108.0	111.3
March	101.5	95.8
April	96.3	93.3
May	88.6	90.8
June	85.4	87.6
	100.0	100.0

Inasmuch as the period 1925-1929 was one with a slightly rising trend, the degree to which 1936 has recorded a parallel movement, would indicate that the decline so far this year is almost entirely seasonal in nature. To be sure, the level is decidedly below that of a year ago, but the evidence does not show that the level has dropped further during the six months than would result from ordinary seasonal fluctuations. If the 1925-1929 pattern is followed throughout the rest of the year, the insolvency index will touch a low in September at a rate slightly below forty.

The Largest Failures

There were twelve failures during June of concerns whose liabilities were reported to exceed $100,000. This is the smallest number reported in this category in many years. Inasmuch as the 77-B procedure has now been available for twenty-five months, its initiation will no longer explain the recent reduction in cases with large liabilities. However, it is important to keep in mind that most large enterprises facing liquidation will attempt a 77-B reorganization.

For the purposes of comparison with the earlier months of this year, the following table is presented:

	Number of Large Failures					
	I	II	III	IV	V	VI
Manufacturing	9	10	6	5	2	5
Wholesale trade	2	3	1	1	1	2
Retail trade	1	6	5	2	3	1
Construction	6	3	10	5	7	3
Commercial service	2	..	1	..	1	1
Total	20	22	23	13	14	12

This decline in large failures is clearly shown by the record. For each of the preceeding five quarters, the number has averaged more than twenty such cases per month. The last quarter, with thirteen, fourteen and twelve cases in the three months respectively, has averaged but thirteen cases.

A detailed industry classification of these failures for June is shown in the following table:

Manufacturing		5
Bakery	1	..
Electrical apparatus	1	..
Lumber products	2	..
Shoe manufacturer	1	..
Wholesale trade		2
Books	1	..
Cooperage stock	1	..
Retail trade		1
Coal	1	..
Construction		3
Commercial service		1
Hotel	1	..
Total		12

The current records are more normal in distribution than were those of May, manufacturing once more assuming the position of leadership. Construction plays such a large part in this group because of the fact that so many contractors are involved in property ownership through speculative

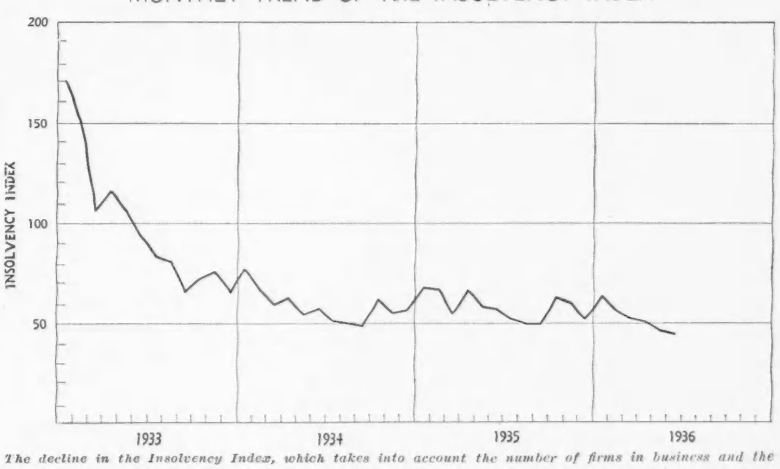
DUN'S INSOLVENCY INDEX

Apparent Annual Number of Failures for Each 10,000 Listed Commercial Enterprises

	New Series				Old Series				Average
	1936	1935	1934	1933	1933	1932	1931	1930	1925-29
January	62.8	66.7	77.0	170.3	179.4	201.8	188.4	150.2	139.5
February	56.4	66.0	67.3	151.6	159.0	165.9	169.0	146.7	128.2
March	53.0	55.0	60.4	107.5	111.4	159.7	146.0	128.4	110.4
April	50.3	63.5	62.4	114.7	119.6	158.0	134.1	125.0	107.4
May	46.3	58.8	55.4	107.8	113.9	162.0	131.7	119.9	104.5
June	44.6	57.5	58.4	93.3	99.9	155.2	112.4	114.4	100.8
July	....	52.8	51.2	83.7	90.4	156.3	112.1	112.4	95.7
August	....	49.8	49.5	81.2	86.7	155.5	111.3	105.7	90.9
September	....	50.0	48.8	65.9	71.0	132.1	114.0	112.9	87.2
October	....	61.8	60.7	71.1	76.6	137.8	134.7	117.0	90.2
November	....	59.4	55.8	75.5	82.1	130.9	141.2	127.0	107.1
December	....	53.3	56.6	65.9	74.0	145.3	158.8	140.7	112.0
Yearly Average	52.2*	57.9	58.6	99.0	105.8	153.3	133.4	120.7	106.2

(*) Based on first six months.

MONTHLY TREND OF THE INSOLVENCY INDEX



The decline in the Insolvency Index, which takes into account the number of firms in business and the actual number of working days in the month, continued to 44.6, the lowest point reached in recent years.

Monthly Failures by Industrial Groups—1934-1936

		Number						Percentage				
		Total	Manufacturing	Wholesale Trade	Retail Trade	Construction	Commercial Service	Manufacturing	Wholesale Trade	Retail Trade	Construction	Commercial Service
1934	January ...	1,317	208	114	852	76	67	15.8	8.6	64.7	5.8	5.1
	February ..	1,017	175	86	635	65	56	17.2	8.5	62.5	6.3	5.5
	March	1,069	194	78	631	92	74	18.2	7.3	59.0	8.6	6.9
	April	1,020	177	89	599	79	76	17.4	8.7	58.7	7.7	7.5
	May	942	165	89	556	68	64	17.6	9.4	59.1	7.1	6.8
	June	992	205	62	603	61	61	20.7	6.3	60.8	6.1	6.1
	July	870	157	79	513	64	57	18.0	9.1	59.0	7.4	6.5
	August	872	180	78	510	53	51	20.6	8.9	58.5	6.1	5.9
	September .	771	142	63	464	67	35	18.4	8.2	60.2	8.7	4.5
	October	1,039	175	82	654	67	61	16.9	7.9	62.9	6.4	5.9
	November ..	882	149	73	539	69	52	16.9	8.3	61.1	7.8	5.9
	December ..	933	161	89	571	58	54	17.3	9.5	61.2	6.2	5.8
	Total	11,724	2,088	982	7,127	819	708	17.8	8.4	60.8	7.0	6.0
1935	January ...	1,146	195	98	734	62	57	17.0	8.6	64.0	5.4	5.0
	February ..	956	168	83	581	59	65	17.6	8.7	60.8	6.2	6.7
	March	940	170	75	587	45	63	18.1	8.0	62.4	4.8	6.7
	April	1,083	180	93	680	68	62	16.6	8.6	62.8	6.3	5.7
	May	1,004	172	79	630	56	67	17.1	7.9	62.7	5.6	6.7
	June	944	166	88	589	54	47	17.6	9.3	62.4	5.7	5.0
	July	902	172	81	551	55	43	19.1	9.0	61.0	6.1	4.8
	August	884	132	94	557	53	48	15.0	10.6	63.0	6.0	5.4
	September .	787	143	71	489	38	46	18.2	9.0	62.2	4.8	5.8
	October	1,056	210	81	633	74	58	19.8	7.7	60.0	7.0	5.5
	November ..	898	169	65	559	58	47	18.8	7.2	62.3	6.5	5.2
	December ..	910	180	75	548	54	53	19.8	8.2	60.3	5.9	5.8
	Total	11,510	2,057	983	7,138	676	656	17.9	8.5	62.0	5.9	5.7
1936	January ...	1,077	174	89	704	51	59	16.2	8.2	65.5	4.7	5.4
	February ..	856	137	98	544	36	41	16.0	11.4	63.6	4.2	4.8
	March	946	158	88	602	51	47	16.7	9.3	63.6	5.4	5.0
	April	830	161	93	506	32	38	19.4	11.2	61.1	3.7	4.6
	May	832	146	72	533	46	35	17.5	8.7	64.1	5.5	4.2
	June	773	143	72	479	36	43	18.5	9.3	62.0	4.6	5.6

building. Their liabilities are large because of the inclusion of mortgages.

Of the twelve concerns in this group, eight were incorporated, three were individual proprietors and one (in construction) was a partnership. All five concerns in the manufacturing group were incorporated.

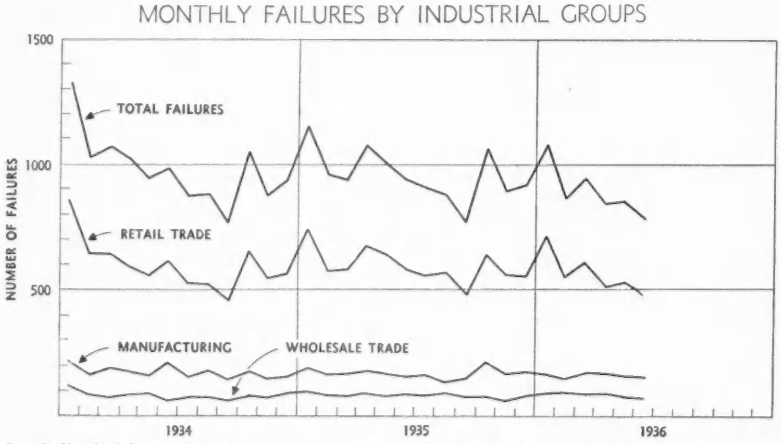
In general, the group represents old established enterprises rather than recent ventures. Four of the twelve go back to the eighteenth century, two to the war period, two to 1928, two to 1931, one to 1933. For one case in the construction industry, the age is unknown. The youngest enterprise endeavored to capitalize on the repeal of prohibition, but was evidently unsuccessful in establishing itself.

Four of the cases had endeavored to solve their difficulties through a 77-B reorganization. In two cases, a reorganization plan was formulated and approved, both by the creditors and by the court. However, even after the creditors had made the concessions contemplated by the plan, the enterprises were unable to carry on but a few months. In one of these cases, the plan was built around a loan from the Reconstruction Finance Corporation, which was not forthcoming.

One other case, that of the hotel, had been in default for some time on its mortgage bonds. In March, a voluntary agreement was entered into between the bondholders and the company officials, whereby the property was placed in trust and trust certificates were issued to replace the bonds. A new company was organized to operate the hotel and now the old company has been thrown into involuntary bankruptcy.

None of the twelve cases exceeded liabilities of $300,000, the total for all twelve being $1,819,000.

MONTHLY FAILURES BY INDUSTRIAL GROUPS



The decline in failures this month was chiefly in retail trade. Manufacturing and wholesale were constant. In the small groups, construction fell and commercial service increased.

Failures by Division of Industry

There was little change in the number of failures in the manufacturing and wholesale trade groups from last month, the re-

duction in number appearing almost entirely in retail trade. The two lesser groups, usually rather fluctuating, recorded a decrease in construction and an increase in commercial service. In order to permit a comparison over the last three years, the total numbers by divisions of industry for the first six months of each year are given below:

	1934	1935	1936
Manufacturing	1,124	1,051	919
Wholesale trade	518	516	512
Retail trade	3,876	3,801	3,368
Construction	441	344	252
Commercial service	398	361	263
Total	6,357	6,073	5,314

It is at once evident that the only group which has maintained its level during the present year is wholesale trade. All the lines have shown marked reductions, with construction and commercial service recording the largest percentage declines. Comparing 1936 with 1935, manufacturing declined 12.6 per cent, while the reduction in retail trade was 11.4 per cent.

The quarterly trends for the last nine quarters for detailed subdivisions of industry, are given on pages 25 to 27 for both number of failures and liabilities.

The data for divisions of industry are shown in a comparison of the current month with June of 1934 and 1935. It is apparent that the reduction in the number of failures is widespread. Only three of the forty-one groups showed a higher figure in the current June than in both previous years,—chemicals and drugs manufacturing, hotels, and miscellaneous commercial service group, while only seven additional groups were above 1935 but not in excess of 1934. A notable improvement was recorded in textile manufacturing, machinery manufacturing, wholesaling and retailing of automotive products, general stores, drug retailing and building subcontractors. These correspond to other information about conditions in these particular lines.

The reduction in liabilities from last June was concentrated chiefly in the retail trade group, a slight increase being recorded for wholesale trade.

Failures by Divisions of Industry—June, 1934-1936

(Liabilities in thousands of dollars)

	Number			Liabilities		
MANUFACTURING	1936	1935	1934	1936	1935	1934
Foods	35	48	53	509	560	1,593
Textiles	27	40	45	356	720	1,388
Forest Products	11	10	12	394	484	458
Paper, Printing and Publishing	13	4	20	147	13	444
Chemicals and Drugs	11	6	7	95	91	254
Fuels	3	5	3	78	138	511
Leather and Leather Products	8	9	6	244	188	462
Stone, Clay, Glass, and Products	2	5	6	7	567	329
Iron and Steel	5	5	16	162	57	728
Machinery	7	12	13	228	306	876
Transportation Equipment	1	4	3	8	290	24
All Other	20	18	21	313	166	843
Total Manufacturing	143	166	205	2,541	3,580	7,910
Per cent of month's total	*18.5*	*17.6*	*20.7*	*27.7*	*27.7*	*38.4*
WHOLESALE TRADE						
Farm Products, Foods, Groceries	31	39	22	375	490	999
Clothing and Furnishings	5	5	2	34	82	12
Dry Goods and Textiles	3	3	4	95	23	92
Lumber, Bldg. Materials and Hardware	5	5	4	137	93	89
Chemicals and Drugs	2	3	2	42	23	19
Fuels	3	1	3	82	20	668
Automotive Products	2	8	3	20	59	107
Supply Houses	4	4	9	240	21	83
All Other	17	20	13	388	587	224
Total Wholesale Trade	72	88	62	1,413	1,398	2,293
Per cent of month's total	*9.3*	*9.3*	*6.3*	*15.4*	*10.8*	*11.2*
RETAIL TRADE						
Foods	171	185	192	1,030	1,261	1,275
Farm Supplies, General Stores	11	20	26	103	347	393
General Merchandise	15	34	27	93	410	371
Apparel	90	98	88	558	564	1,342
Furniture, Household Furnishings	17	22	17	146	365	210
Lumber, Bldg. Materials and Hardware	33	41	33	331	398	447
Automotive Products	28	49	47	335	678	598
Restaurants	47	45	64	294	420	976
Drugs	38	56	52	265	818	427
All Other	29	39	57	380	423	1,541
Total Retail Trade	479	589	603	3,535	5,684	7,580
Per cent of month's total	*62.0*	*62.4*	*60.8*	*38.5*	*44.0*	*36.8*
CONSTRUCTION						
General Contractors	4	10	8	36	460	264
Carpenters and Builders	15	7	21	635	184	966
Building Sub-contractors	14	36	31	302	399	439
Other Contractors	3	1	1	77	36	46
Total Construction	36	54	61	1,050	1,079	1,715
Per cent of month's total	*4.6*	*5.7*	*6.1*	*11.4*	*8.4*	*8.3*
COMMERCIAL SERVICE						
Cleaners, Dyers and Tailors	7	14	17	40	226	193
Haulage, Busses, Taxis, etc	12	14	18	97	300	154
Hotels	6	5	5	396	52	450
Laundries	2	3	10	31	58	94
Undertakers	4	4	3	35	46	53
All Other	12	7	8	39	495	149
Total Commercial Service	43	47	61	638	1,177	1,093
Per cent of month's total	*5.6*	*5.0*	*6.1*	*7.0*	*9.1*	*5.3*
Total U. S.	773	944	992	9,177	12,918	20,591
Per Cent	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Failures by Size

Any discussion based upon mere number of failures alone is certain to be inadequate, since it fails to take into account the important fact that cases may vary widely in importance. The only measure of size available is the estimated amount of liabilities involved in the case. It can be assumed that large enterprises usually will not fail with small liabilities, and that small enterprises are not able to accumulate large liabilities.

The comparison here presented for June in the last three years, is the first time that all the months could be considered without making special allowance for the introduction of the 77-B procedure. The comparison by groups since

Failures by Industrial Groups and Size of Liabilities—June, 1934-1936

(Liabilities in thousands of dollars)

	1936				1935				1934			
	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent
Manufacturing	143	100.0	2,541	100.0	166	100.0	3,580	100.0	205	100.0	7,910	100.0
Under $5,000	43	30.1	107	4.2	47	28.3	163	4.6	49	23.9	130	1.6
$5,000—$25,000	78	54.5	1,007	39.6	92	55.4	1,086	30.3	88	42.9	962	12.2
$25,000—$100,000	17	11.9	787	31.0	21	12.7	905	25.3	45	22.0	2,272	28.7
$100,000 and over	5	3.5	639	25.2	6	3.6	1,426	39.8	23	11.2	4,546	57.5
Wholesale Trade	72	100.0	1,413	100.0	88	100.0	1,398	100.0	62	100.0	2,293	100.0
Under $5,000	14	19.4	38	2.7	25	28.5	68	4.9	14	22.6	41	1.8
$5,000—$25,000	40	55.6	466	33.0	50	56.8	597	42.7	30	48.4	400	17.4
$25,000—$100,000	16	22.2	678	48.0	12	13.6	501	35.8	15	24.2	703	30.7
$100,000 and over	2	2.8	231	16.3	1	1.1	232	16.6	3	4.8	1,149	50.1
Retail Trade	479	100.0	3,535	100.0	589	100.0	5,684	100.0	603	100.0	7,580	100.0
Under $5,000	260	54.3	627	17.7	321	54.5	816	14.4	278	46.1	670	8.8
$5,000—$25,000	197	41.1	1,967	55.7	224	38.0	2,185	38.4	268	44.4	2,278	30.1
$25,000—$100,000	21	4.4	817	23.1	39	6.6	1,904	33.5	44	7.3	2,000	26.4
$100,000 and over	1	.2	124	3.5	5	.9	779	13.7	13	2.2	2,132	28.1
Construction	36	100.0	1,050	100.0	54	100.0	1,079	100.0	61	100.0	1,715	100.0
Under $5,000	11	30.6	33	3.1	22	40.7	60	5.6	17	27.9	34	2.0
$5,000—$25,000	16	44.4	187	17.8	21	38.9	285	26.4	26	42.6	316	18.4
$25,000—$100,000	6	16.7	305	29.1	9	16.7	393	36.4	11	18.0	570	33.2
$100,000 and over	3	8.3	525	50.0	2	3.7	341	31.6	7	11.5	795	46.4
Commercial Service	43	100.0	638	100.0	47	100.0	1,177	100.0	61	100.0	1,093	100.0
Under $5,000	21	48.8	57	8.9	25	53.2	56	4.7	22	36.1	55	5.0
$5,000—$25,000	18	41.9	192	30.1	13	27.6	173	14.7	30	49.2	366	33.5
$25,000—$100,000	3	7.0	89	13.9	7	14.9	321	27.3	6	9.8	207	18.9
$100,000 and over	1	2.3	300	47.1	2	4.3	627	53.3	3	4.9	465	42.6
Total	773	100.0	9,177	100.0	944	100.0	12,918	100.0	992	100.0	20,591	100.0
Under $5,000	349	45.1	862	9.4	440	46.6	1,163	9.0	380	38.3	930	4.5
$5,000—$25,000	349	45.1	3,819	41.6	400	42.4	4,326	33.5	442	44.6	4,822	23.5
$25,000—$100,000	63	8.2	2,677	29.2	88	9.3	4,024	31.2	121	12.2	5,752	27.9
$100,000 and over	12	1.6	1,819	19.8	16	1.7	3,405	26.3	49	4.9	9,087	44.1

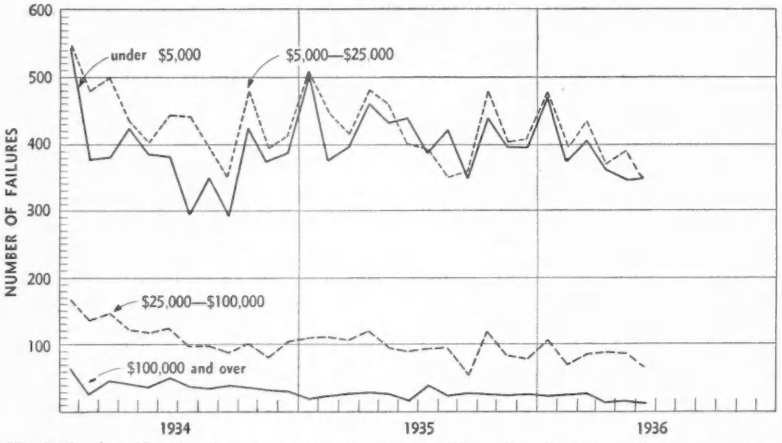
January, 1934, is shown in the chart. Despite the reduction in total number, the group with liabilities of less than $5,000 actually recorded an increase in number in January. The reduction was among the larger enterprises. The largest group established a new low, the next largest had been less in only one prior month, and the $5,000 to $25,000 liabilities group tied its previous low record.

It is interesting to bring together the June record of failures to see where they actually fell among divisions of industry, as follows, designating the smallest as Group I and the largest as Group IV:

	I	II	III	IV
Manufacturing	43	78	17	5
Wholesale trade	14	40	16	2
Retail trade	260	197	21	1
Construction	11	16	6	3
Commercial service	21	18	3	1
Total	349	349	63	12

The failures in retail trade, which represent 62.0 per cent of all the failures, are clearly concentrated in the smaller size groups. They include only 22 of the 75 failures with liabilities over $25,000, or 29.3 per cent. As usual, the construction group, due to its close interrelation to real estate operation, has the largest percentage of large failures.

MONTHLY FAILURES BY SIZE OF LIABILITIES



The decline is evident in all groups, except the failures with smallest liabilities. The largest failures reached a new low for the period charted.

Geographical Distribution

For the country as a whole June records of both number of failures and total liabilities show a steady decline over the past three years. On the score of number of failures, only four of the Federal Reserve Districts — Cleveland, Richmond, Minneapolis, San Francisco—correspond to this trend. Six follow a pattern with 1935, the highest of the three years. The Chicago district ran directly counter to this predominant course, and unlike any other the St. Louis region has reported an accelerating failure pace. Thus ten districts had fewer failures in the month just past than a year ago. Deviations of liability totals from the failure recordings by number are not of sufficient size to be significant.

By sections, failure returns show the same 1935 high pattern

Failures by Federal Districts and States—June, 1934-1936

(Liabilities in thousands of dollars)

Districts	Number			Liabilities		
	1936	1935	1934	1936	1935	1934
Boston .....(1).....	67	96	92	848	1,055	904
New York.....(2).....	217	298	291	2,661	5,177	6,357
Philadelphia ..(3).....	54	65	53	926	1,012	1,742
Cleveland .....(4).....	54	68	72	682	1,364	2,954
Richmond ....(5).....	40	43	45	266	272	565
Atlanta .....(6).....	15	32	29	164	252	486
Chicago .....(7).....	120	99	144	1,749	1,714	4,361
St. Louis.....(8).....	33	29	22	443	224	221
Minneapolis ...(9).....	17	21	29	106	261	256
Kansas City...(10).....	28	48	37	97	216	325
Dallas .....(11).....	17	21	17	148	320	289
San Francisco.(12).....	111	124	161	1,087	1,051	2,131
New England.....	69	103	98	858	1,087	1,111
Maine	3	8	4	34	147	31
New Hampshire.....	5	7	1	65	140	2
Vermont	2	3	1	12	6	1
Massachusetts	37	50	59	620	488	597
Connecticut	10	23	18	67	226	402
Rhode Island.....	12	12	15	60	80	78
Middle Atlantic.....	281	367	351	3,850	6,243	8,565
New York.....	178	225	229	2,073	4,298	4,674
New Jersey.....	40	71	60	652	916	1,571
Pennsylvania	63	71	62	1,125	1,029	2,320
East North Central.....	156	144	184	2,150	2,831	6,009
Ohio	35	54	50	331	1,177	1,845
Indiana	23	12	17	213	674	493
Illinois	51	40	69	977	574	2,686
Michigan	25	22	19	252	196	489
Wisconsin	22	16	29	377	210	496
West North Central.....	38	50	73	231	427	885
Minnesota	10	11	18	66	73	202
Iowa	4	13	17	5	102	264
Missouri	13	6	13	132	52	191
North Dakota.....	..	1	1	...	25	12
South Dakota.....	1	4	3	6	117	7
Nebraska	4	10	20	6	22	208
Kansas	6	5	1	16	36	1
South Atlantic.....	50	66	60	389	446	816
Maryland	12	16	8	45	66	71
Delaware	1	1	..	23	15	...
District of Columbia....	2	1	4	4	2	38
Virginia	16	8	14	63	52	103
West Virginia.....	8	5	9	116	20	149
North Carolina.....	5	9	7	68	94	146
South Carolina.....	1	4	4	4	37	63
Georgia	3	14	6	6	113	195
Florida	2	8	8	60	47	51
East South Central.....	25	26	27	313	261	681
Kentucky	5	7	9	35	106	431
Tennessee	8	10	9	226	101	183
Alabama	6	2	7	26	5	61
Mississippi	6	7	2	26	49	6
West South Central.....	31	45	28	234	455	223
Arkansas	5	8	4	64	56	10
Oklahoma	9	15	9	22	69	59
Louisiana	..	4	2	...	31	51
Texas	17	18	13	148	299	103
Mountain	20	24	16	101	159	221
Montana	4	3	5	13	31	10
Idaho	4	1	1	14	8	4
Wyoming	..	..	..	...	...	...
Colorado	8	15	3	51	78	23
New Mexico.....	..	1	2	...	8	138
Arizona	..	..	..	...	...	...
Utah	3	4	5	22	34	46
Nevada	1	..	..	1	...	...
Pacific	103	119	155	1,051	1,009	2,080
Washington	15	8	34	143	30	186
Oregon	15	21	20	312	108	138
California	73	90	101	596	871	1,756
Total U. S.....	773	944	992	9,176	12,918	20,591

for five groups and a steady decline for three more. Only the East North Central found June of 1935 lighter than 1934 or 1936, although last month this region reported a slight decline for each successive year. On the other hand, only one of the three groups showing a consistent downward June trend had had a similar record for May.

Viewed by States, most of the resistance to the general downward June movement was afforded by five Central States: Illinois, Indiana, Michigan, Missouri and Wisconsin. As failures listed by cities make plain, Detroit and St. Louis account for two of these. On the other hand, Virginia and Washington (State) doubled their 1935, June, totals. Last month the responsibility for sustaining the total was attributable largely to New England and, as now, to the East North Central. This month, however, New England States fell from this unenviable position to take rank with those reporting marked decreases.

Last month it seemed not unlikely that the March floods were responsible for increasing failures in Pennsylvania and New England. How long these catastrophes would continue to exert their influence, could not be predicted. It is now evident that the major readjustment has been made. The reports for June estimate reductions in both areas, particularly in Massachusetts and Connecticut.

	Pennsylvania	Massachusetts and Connecticut
March	52	58
April	63	60
May	76	68
June	63	47

Out of failure figures broken down by cities, these observations may be made:

(1) That the number of failures in the twenty-five large cities has been less in each succeeding June over the past three years, as was the case in May.

(2) That the general city decline from 1934 to 1935 was chiefly

Failures in Specified Cities—June, 1934-1936

(Liabilities in thousands of dollars)

City	Fed. Res. Dist.	Population (1930 Census)	Number 1936	Number 1935	Number 1934	Liabilities 1936	Liabilities 1935	Liabilities 1934
Baltimore	5	804,874	9	14	7	30	56	47
Boston	1	781,188	9	13	23	40	112	245
Buffalo	2	573,076	8	9	8	123	204	84
Chicago	7	3,376,438	29	26	45	328	275	719
Cincinnati	4	451,160	5	5	5	42	15	30
Cleveland	4	900,429	8	15	12	44	634	681
Detroit	7	1,568,662	17	4	8	156	12	89
Indianapolis	7	364,161	3	1	6	34	2	400
Jersey City	2	316,716	2	2	2	144	21	300
Kansas City, Mo.	10	399,746	..	2	1	...	10	1
Los Angeles	12	1,238,048	19	39	26	180	407	596
Louisville	8	307,745	2	1	..	10	1	...
Milwaukee	7	578,248	13	10	14	260	131	117
Minneapolis	9	464,356	6	3	11	51	43	79
Newark	2	442,337	13	16	18	157	203	608
New Orleans	6	458,762	..	..	..	...	...	...
New York City	2	6,930,446	133	158	161	1,615	3,122	3,105
Philadelphia	3	1,950,961	25	24	24	308	269	828
Pittsburgh	4	669,817	6	6	7	197	49	398
Portland, Ore.	12	301,815	10	11	12	128	53	73
Rochester	2	328,132	2	6	2	7	27	13
St. Louis	8	821,960	9	2	5	79	38	26
San Francisco	12	634,394	14	12	19	126	89	363
Seattle	12	365,583	5	2	13	101	2	56
Washington, D. C.	5	486,869	2	1	4	4	2	38
Total, 25 cities	..	.....	349	382	433	4,164	5,777	8,896
Balance of country	..	.....	424	562	559	5,013	7,141	11,695
Total U. S.	..	.....	773	944	992	9,177	12,918	20,591

	1936	1935	1934
25 cities	349	382	433
New York	133	158	161
25 minus New York	216	224	272

outside of New York; that from 1935 to 1936, the New York decline was greater than elsewhere.

(3) That certain other big cities, Chicago, Philadelphia and Detroit, report more June failures this year than last.

(4) Contrary to May returns, that a greater percentage of failures are in cities than last year, 45 against 40 per cent.

But notwithstanding a city record unimpressive without New York and an increased proportion of failures in cities, liabilities figures disclose a consistent reduction in the size of failures. Average "city" liabilities were only $12,000 this June, contrasted with approximately $15,000 for 1935 and $20,000 for 1934. Inasmuch as June failures advanced to 349 from the May listing of 325, while the liability total dropped slightly, the city liabilities average for June was also less than that of the previous month.

The prevailing trend of failures for the first half year has been downward, with only February's exceptional drop out of line. This trend is apparent in both city and country listings, but more erratic in the latter. From February onward there is likewise a consistent decline in the average magnitude of city failures, but the country liability averages from month to month are so irregular that interpretation is difficult. Seemingly the only tenable conclusions to be derived from June additions to the liabilities averages are that the country total is bettered only by February's return and the city figure is a new low for the half-year period. The averages by size of liabilities are as follows:

	25 Cities	Balance of Country
January	$15,283	$18,060
February	23,631	10,427
March	17,056	17,307
April	15,480	18,206
May	13,169	21,880
June	11,943	11,842

Quarterly Tables

The following three pages give the record by both number and liabilities for a detailed industry classification for the last nine quarters. They continue the data presented in the April number of the *Monthly Review* and are consistent with the revisions constituted at the beginning of the year.

When the industrial classification was revised, the most important change was the classification of failures in the construction field as a separate group. The necessity for this separation lies in the fact that liabilities in such failures are frequently exceedingly large. In many instances, construction and real estate development are inseparable, and the contractor accumulates mortgages which become a large liabilities item in the case of financial embarrassment. Probably a large number of these construction failures should in fact be classified as real estate failures. Because of this difficulty, it seemed best to place these cases in a separate subdivision.

Failures by Federal Reserve Districts by Divisions of Industry—June, 1936

(Liabilities in thousands of dollars)

District	Manufacturing No.	Manufacturing Liab.	Wholesale Trade No.	Wholesale Trade Liab.	Retail Trade No.	Retail Trade Liab.	Construction No.	Construction Liab.	Commercial Service No.	Commercial Service Liab.	Total No.	Total Liab.
Boston (1)	12	197	7	144	38	205	5	263	5	39	67	848
New York (2)	50	867	22	425	130	1,171	5	160	10	38	217	2,661
Philadelphia (3)	10	288	6	159	31	341	4	99	3	39	54	926
Cleveland (4)	6	188	6	93	37	289	3	103	2	9	54	682
Richmond (5)	7	109	2	9	23	83	4	19	4	46	40	266
Atlanta (6)	..	...	2	60	11	42	1	59	1	3	15	164
Chicago (7)	24	365	17	237	64	571	6	200	9	376	120	1,749
St. Louis (8)	4	75	2	141	27	227	..	...	..	...	33	443
Minneapolis (9)	2	12	..	...	13	80	1	11	1	3	17	106
Kansas City (10)	1	3	..	...	27	94	..	...	..	...	28	97
Dallas (11)	..	...	3	24	13	102	..	...	1	22	17	148
San Francisco (12)	27	437	5	121	65	330	7	136	7	63	111	1,087
Total U. S.	143	2,541	72	1,413	479	3,535	36	1,050	43	638	773	9,177

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—MANUFACTURING

(Liabilities in Thousands of Dollars)

MANUFACTURING	Number									Liabilities								
	1934			1935				1936		1934			1935				1936	
	II	III	IV	I	II	III	IV	I	II	II	III	IV	I	II	III	IV	I	II
Foods	159	124	139	134	124	128	130	124	105	5,258	2,734	3,701	2,836	2,009	3,178	2,650	3,459	1,660
Baking	93	68	73	71	76	81	81	62	47	1,608	600	938	505	755	883	591	696	451
Beverages—Alcoholic	19	15	20	15	15	17	13	13	5	1,873	1,284	1,751	1,004	447	1,067	1,202	1,502	348
Beverages—Non-alcoholic	10	6	12	6	2	1	4	10	8	216	45	196	38	109	12	59	110	96
Confectionery	11	10	6	8	8	3	3	8	12	260	150	32	412	104	51	21	74	269
Dairy Products	8	9	12	9	5	8	11	9	4	277	136	170	128	74	164	170	123	46
Fruits and Vegetables	4	3	..	7	5	4	3	2	4	232	210	....	280	217	271	226	16	80
Meats and Fish	3	5	5	6	3	7	4	4	6	19	62	225	120	39	522	96	220	93
Milling	1	4	2	3	4	2	..	3	4	34	205	12	164	175	30	....	25	43
All Other	10	4	9	9	6	5	11	13	15	739	42	377	185	89	178	285	693	234
Textiles	98	102	99	105	117	113	134	96	101	3,942	3,119	1,867	2,007	2,687	2,348	2,649	3,175	1,387
Textile Mill Products	11	14	14	13	23	9	16	23	24	1,426	1,061	667	598	1,093	254	356	1,784	325
Men's and Boys' Clothing and Accessories	13	13	11	16	12	15	19	9	12	692	371	136	208	94	396	538	84	111
Women's and Children's Clothing and Accessories	56	60	56	49	61	69	77	43	46	1,099	892	635	697	1,101	1,023	1,166	640	608
Hosiery, Underwear, Knit Goods	8	7	9	6	9	7	7	8	6	252	590	270	136	110	249	232	482	174
Other Clothing	2	2	2	13	7	8	8	11	5	21	25	52	258	91	369	145	169	115
Other Textile Products	8	6	7	8	5	5	7	2	8	452	180	107	110	198	57	212	16	54
Forest Products	35	36	28	54	44	29	39	42	34	1,802	1,467	1,920	1,956	1,365	543	2,126	1,513	827
Lumber	15	10	15	25	15	9	15	8	9	647	399	1,326	1,121	560	316	847	128	401
Furniture	15	18	10	22	22	14	19	24	20	788	792	282	548	701	189	1,076	1,216	311
All Other	5	8	3	7	7	6	5	10	5	367	276	312	287	104	38	203	169	115
Paper, Printing, and Publishing	44	38	47	40	37	31	135	37	43	1,386	1,128	2,833	573	1,100	583	781	671	1,541
Paper and Paper Products	5	4	9	5	5	3	5	5	11	697	93	2,230	162	515	238	72	242	172
Printing and Engraving	28	26	25	27	24	24	18	21	24	570	973	296	307	364	257	105	317	332
Publishing	11	8	13	8	8	4	12	11	8	119	62	307	104	221	88	604	112	1,037
Chemicals and Drugs	21	17	13	25	23	15	24	15	21	591	854	94	360	675	356	760	217	293
Chemicals and Chemical Products	14	12	4	8	10	7	7	7	9	317	541	15	169	151	229	142	120	164
Drugs, Perfumes, Cosmetics	2	4	4	10	11	2	15	6	8	66	98	26	111	471	24	544	57	83
Paints, etc.	5	1	5	7	2	6	2	2	4	208	215	53	80	53	103	74	40	46
Fuels	8	5	12	..	9	10	14	6	9	727	713	1,298	....	293	1,170	912	1,645	294
Coal	6	2	9	..	3	5	3	3	8	512	580	1,141	....	94	544	23	85	261
Petroleum	2	3	3	..	6	5	11	3	1	215	133	157	....	199	626	889	1,560	33
Leather and Leather Products	16	24	17	18	23	16	27	16	24	673	711	221	610	515	602	389	503	492
Leather	..	1	1	1	4	1	3	1	2	....	1	4	157	119	1	50	61	131
Shoes	9	15	9	13	11	10	8	8	9	577	564	141	405	293	324	131	277	180
Other Leather Products	7	8	7	4	8	5	16	7	13	96	146	76	48	103	277	208	165	181
Stone, Clay and Glass Products	18	9	15	11	16	17	16	13	7	597	375	360	304	933	889	440	415	819
Stone and Stone Products	10	6	11	7	8	10	8	5	3	383	345	323	230	153	494	332	64	10
Clay and Clay Products	2	1	2	1	6	4	1	4	2	41	7	22	50	699	342	60	236	7
Glass and Glass Products	5	1	2	3	..	1	6	4	1	166	15	15	24	....	8	43	115	2
All Other	1	1	..	..	2	2	1	..	1	7	8	....	....	81	45	5	....	800
Iron, Steel and Products	45	28	19	29	21	22	30	19	21	2,575	1,817	425	2,318	570	1,497	460	412	440
Iron and Steel	6	5	4	6	2	3	3	4	5	1,206	345	97	1,434	38	399	43	56	278
Iron and Steel Products	39	23	15	23	19	19	27	15	16	1,369	1,472	328	884	532	1,098	417	356	162
Machinery	25	23	18	25	28	17	31	23	15	1,296	1,168	643	679	752	384	700	404	449
Electrical Apparatus	6	8	10	9	9	7	14	5	5	31	650	497	114	292	93	238	203	177
Machine Shops	4	3	1	5	5	2	5	5	2	53	18	6	161	33	8	22	19	13
All Other	15	12	7	11	14	8	12	13	8	1,212	500	140	404	427	283	440	182	259
Transportation Equipment	11	8	15	14	11	5	10	9	11	2,372	908	366	385	408	168	431	131	635
Automobiles and Parts	5	4	7	8	6	3	5	8	6	2,224	489	277	274	375	34	381	117	147
Automobile Accessories	4	2	4	5	4	1	4	..	4	58	109	59	33	30	4	41	....	338
All Other	2	2	4	1	1	1	1	1	1	90	310	30	78	3	130	9	14	150
Miscellaneous	67	65	63	78	65	44	69	69	59	2,284	1,558	1,074	1,958	922	656	908	1,022	1,372
Furs	15	7	13	18	11	10	29	21	7	363	370	178	618	165	169	410	215	104
Non-ferrous Metals, Jewelry	16	15	8	14	11	5	14	12	14	776	360	53	455	138	69	300	131	144
Rubber Goods	1	2	9	6	2	1	2	5	4	2	3	100	201	18	8	16	58	642
Tobacco Products	3	..	2	4	7	1	..	2	3	28	....	10	81	33	17	....	6	30
General Supplies	4	8	8	7	7	4	3	3	4	80	65	174	284	62	17	19	70	93
All Other	28	33	23	29	27	23	21	26	27	1,035	760	559	319	506	376	253	542	359
Total Manufacturing	547	479	485	533	518	447	559	469	450	23,503	16,552	14,802	13,986	12,229	12,374	13,296	13,565	10,209

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—RETAIL TRADE

(Liabilities in Thousands of Dollars)

RETAIL TRADE	Number									Liabilities								
	1934			1935				1936		1934			1935				1936	
	II	III	IV	I	II	III	IV	I	II	II	III	IV	I	II	III	IV	I	II
Foods	526	436	550	606	651	535	603	517	497	3,677	3,142	3,552	4,191	5,223	4,350	4,103	2,945	3,036
Confectionery	39	33	42	37	36	28	31	24	19	210	307	206	271	488	207	207	138	253
Dairy Products	22	21	18	16	23	18	24	16	21	128	258	141	175	204	114	287	131	149
Delicatessens	16	7	12	8	10	11	13	14	10	100	20	65	79	46	54	38	81	58
Groceries	189	134	200	221	223	173	212	149	168	1,274	739	990	1,300	1,924	1,261	1,094	635	842
Groceries and Meats	116	130	151	143	188	165	164	167	152	700	1,017	952	900	1,147	1,296	1,146	868	824
Meats and Fish	83	66	70	105	106	76	103	72	67	673	373	637	679	828	963	773	476	450
Produce and Fruits	32	25	31	31	25	25	16	21	11	347	199	235	182	189	202	324	230	129
Beverages—Alcoholic	10	6	11	27	27	27	23	43	2	122	149	128	118	185	34	56	46	66
Beverages—Non-alcoholic	9	5	9	9	8	6	7	4	43	46	26	141	330	173	185	130	309	243
All Other	10	9	6	9	5	6	10	7	4	77	54	57	157	39	34	48	31	22
Farm Supplies, General Stores	79	84	74	77	85	91	79	100	62	919	885	1,250	1,161	1,215	988	919	699	453
Farm Supplies	14	16	14	9	9	18	11	15	5	159	323	253	124	486	353	144	166	14
General Stores	65	68	60	68	76	73	68	85	57	760	562	997	1,037	729	635	775	533	439
General Merchandise	77	69	6	119	101	67	62	108	65	1,292	821	1,320	1,340	1,000	714	629	2,218	616
Department Stores	10	11	5	14	13	10	7	19	5	642	356	557	438	403	166	281	1,658	215
Variety Stores	8	10	9	17	15	9	2	9	3	45	68	278	68	42	52	10	21	9
Dry Goods	59	48	46	88	73	48	53	81	57	605	397	485	834	555	496	338	539	392
Apparel	271	191	323	367	283	250	321	411	269	3,096	1,713	3,331	2,726	1,830	2,066	2,359	3,182	1,740
Clothing—Men's, Women's and Children's	21	14	21	25	23	25	25	55	36	175	160	222	181	245	118	272	421	273
Clothing—Men's	47	33	48	55	24	35	32	48	37	790	424	617	552	160	547	316	368	326
Accessories—Men's	46	36	49	59	56	43	64	56	42	235	295	425	513	392	281	459	390	266
Clothing—Women's	76	63	116	124	92	85	102	157	94	1,250	502	1,445	799	545	736	661	1,444	552
Accessories—Women's	22	12	16	15	22	17	22	17	16	131	129	75	105	81	75	94	47	96
Shoes	59	33	73	89	66	45	76	78	44	515	203	547	576	407	309	557	512	227
Furniture and House Furnishings	60	52	64	79	74	59	63	65	78	572	1,128	1,154	1,124	1,180	899	802	1,238	931
Furniture	41	28	41	46	48	32	40	41	46	373	867	506	810	873	493	601	994	399
House Furnishings and Appliances	13	14	8	17	15	21	18	16	17	158	180	53	170	175	366	183	76	352
Radios	6	10	15	16	11	6	5	8	15	41	81	595	144	132	40	18	168	180
Lumber, Building Materials, Hardware	122	111	104	103	128	105	100	112	101	2,853	1,331	1,230	1,406	1,710	1,253	1,217	1,262	1,047
Lumber, Building Materials	27	14	21	17	28	16	16	13	14	1,817	553	358	583	674	198	529	227	298
Paint, Wallpaper, Glass	14	28	28	16	19	26	26	26	23	145	231	297	100	131	204	161	237	139
Hardware, Implements, Machinery	81	69	55	70	81	63	58	73	64	891	547	575	723	905	851	527	798	610
Automotive Products	142	119	159	118	131	119	123	120	103	1,739	2,078	2,684	1,467	1,390	2,582	1,635	2,979	1,260
Automobiles	31	29	35	32	25	30	49	46	29	762	1,333	1,086	441	620	716	1,165	761	651
Automobile Accessories	30	18	29	16	28	22	24	20	16	353	141	289	96	186	273	147	128	109
Garages and Repair Shops	48	45	67	47	46	40	25	38	33	317	443	1,040	658	406	669	158	1,967	319
Filling Stations	30	26	24	23	32	25	24	15	25	293	158	229	272	178	909	158	119	181
All Other	3	1	4	..	..	2	1	1	..	14	3	40	....	....	15	17	4	....
Restaurants	156	153	164	146	136	151	159	140	117	2,378	1,811	2,450	1,427	1,585	4,231	2,469	1,239	2,381
Drugs and Cosmetics	162	144	152	164	170	118	129	127	128	1,680	1,684	1,452	1,364	1,638	933	856	974	1,095
All Other	163	128	114	123	140	102	103	150	98	3,363	2,135	1,271	1,231	2,250	2,070	1,063	1,663	2,490
Tobacco Products	15	11	11	8	10	8	13	17	5	75	73	151	82	63	229	116	107	1,418
Fuels	26	12	16	15	27	16	20	23	23	1,268	298	197	168	484	350	330	478	457
Florist Shops	19	18	16	19	15	13	10	17	9	314	158	139	250	433	232	142	201	54
Jewelry	26	26	14	23	24	20	8	35	19	350	461	210	201	535	962	51	479	228
Stationery, Books, Newsdealers	28	17	14	20	19	17	13	15	16	410	268	109	112	271	87	92	60	115
Toys	2	..	1	1	1	2	1	3	1	9	.....	8	9	18	7	7	21	17
Miscellaneous	47	44	42	37	44	26	38	40	25	937	877	457	409	446	203	325	317	201
Total Retail Trade	1,758	1,487	1,764	1,902	1,899	1,597	1,740	1,850	1,518	21,569	16,728	19,694	17,437	19,021	20,086	16,052	18,399	15,049

	Number									Liabilities								
	1934			1935				1936		1934			1935				1936	
	II	III	IV	I	II	III	IV	I	II	II	III	IV	I	II	III	IV	I	II
Total Retail Trade	1,758	1,487	1,764	1,902	1,899	1,597	1,740	1,850	1,518	21,569	16,728	19,694	17,437	19,021	20,086	16,052	18,399	15,049

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—WHOLESALE TRADE—CONSTRUCTION—COMMERCIAL SERVICE

(Liabilities in Thousands of Dollars)

	Number									Liabilities								
	1934			1935				1936		1934			1935				1936	
WHOLESALE TRADE	II	III	IV	I	II	III	IV	I	II	II	III	IV	I	II	III	IV	I	II
Farm Products and Foods	100	107	112	110	129	98	95	119	107	2,972	2,951	2,333	2,098	2,131	2,197	2,679	1,500	1,299
Confectionery	13	10	15	15	18	12	15	26	17	115	78	102	212	202	73	246	299	91
Dairy Products	13	9	10	13	11	10	15	12	9	566	206	236	319	324	204	486	173	77
Groceries and Meats	14	10	16	17	13	13	6	13	16	406	166	722	494	359	292	386	187	375
Meats and Fish	24	27	22	18	34	21	18	16	20	365	461	413	401	381	390	376	119	244
Produce and Fruits	13	25	21	14	24	17	14	25	21	833	1,146	466	262	264	455	419	396	225
Beverages—Alcoholic	10	12	11	13	9	12	9	12	12	487	635	177	236	135	328	336	157	117
All Other	13	14	17	20	20	13	18	15	12	200	259	217	174	466	455	430	169	170
Clothing and Furnishings	6	5	13	18	18	19	15	21	11	57	80	290	281	197	950	174	257	113
Dry Goods and Textile Products	11	7	11	10	11	11	10	2	6	186	94	390	253	186	415	136	18	159
Lumber, Building Materials, Hardware	18	14	12	14	17	15	19	20	25	385	349	289	390	237	798	812	576	890
Chemicals and Drugs	7	10	15	7	8	13	7	9	10	75	252	144	80	167	123	85	65	173
Fuels	16	6	12	7	6	9	9	15	7	909	192	225	169	181	173	683	570	194
Automotive Products	11	5	17	10	16	15	11	18	12	169	38	425	182	145	182	129	327	185
Supply Houses	18	8	8	23	12	17	17	15	12	172	142	82	513	118	163	248	129	366
All Others	53	58	44	57	43	49	38	56	47	1,139	1,351	1,268	998	1,244	784	363	1,408	937
Electrical Goods	3	6	2	6	7	6	3	5	7	43	86	161	69	47	89	31	44	147
Furniture and House Furnishings	4	6	4	8	4	6	5	6	1	95	89	166	136	95	154	105	321	11
Machinery and Equipment	3	5	6	6	3	2	3	5	..	83	211	136	216	361	10	16	87	....
Paper and Paper Products	10	6	3	11	9	4	6	8	9	142	181	60	135	173	35	39	208	157
Tobacco Products	8	6	3	2	4	7	1	4	4	121	53	38	8	287	104	6	43	85
All Other	25	29	26	24	16	24	20	28	26	655	731	707	434	281	392	166	708	537
Total Wholesale Trade	240	220	244	256	260	246	221	275	237	6,064	5,449	5,446	4,964	4,606	5,785	5,309	4,841	4,316
CONSTRUCTION																		
General Contractors	29	33	35	38	28	26	36	24	17	1,254	1,311	1,505	1,415	1,153	1,796	3,575	1,580	904
Carpenters and Builders	60	69	59	41	44	40	53	43	36	2,729	2,699	2,423	1,880	1,734	1,235	1,932	4,172	5,518
Building Sub-Contractors	110	75	93	79	102	74	93	70	51	1,660	974	1,523	1,765	1,161	662	2,097	2,961	643
Painting and Decorating	19	19	32	12	25	16	23	16	10	128	151	576	131	398	96	718	175	180
Heating and Plumbing	42	21	32	28	31	30	30	34	17	609	303	415	444	345	249	642	1,675	146
Electrical	21	11	11	11	14	12	9	8	8	202	74	158	182	82	50	216	59	56
Other	28	24	18	28	32	16	31	12	16	721	446	374	1,008	336	267	521	1,052	261
Other Contractors	9	7	7	8	4	6	4	1	10	275	250	129	238	120	257	107	25	371
Total Construction	208	184	194	66	178	146	186	138	114	5,918	5,234	5,580	5,298	4,168	3,950	7,711	8,738	7,436
COMMERCIAL SERVICE																		
Cleaners and Dyers, Tailors	52	29	33	53	41	40	40	36	24	692	410	376	425	453	602	559	368	236
Cleaners and Dyers	17	10	15	28	19	19	21	17	7	208	247	147	280	202	178	418	185	108
Tailors	35	19	18	25	22	21	19	19	17	484	163	129	145	251	424	141	183	128
Haulage, Buses, Taxis, etc	55	33	42	33	41	26	37	31	27	1,230	583	667	975	543	1,326	355	369	297
Hotels	17	27	17	25	21	22	15	15	15	3,062	2,158	786	699	1,193	1,174	2,363	1,062	770
Laundries	21	5	20	18	16	10	17	11	9	343	38	249	387	280	184	295	69	124
Undertakers	13	12	10	13	17	9	21	18	9	320	108	90	200	251	91	253	203	56
All Other	43	37	45	43	40	30	28	36	32	1,548	550	640	820	1,032	1,219	1,062	849	216
Advertising	12	13	12	12	8	3	9	8	4	387	183	383	247	177	75	720	164	29
Barber Shops and Beauty Parlors	4	5	6	9	4	7	4	7	3	135	20	43	93	7	112	34	52	66
Shoe Repairing	8	7	7	3	11	3	..	2	10	83	10	19	13	47	15	....	11	26
Photographers	10	8	5	9	3	8	3	2	2	83	100	26	66	183	59	74	3	3
Others	9	4	15	10	14	9	12	17	13	860	237	169	401	618	958	234	619	92
Total Commercial Service	201	143	167	185	176	137	158	147	116	7,195	3,847	2,808	3,496	3,762	4,596	4,887	2,921	1,699
Total United States	2,954	2,513	2,854	3,042	3,031	2,573	2,864	2,879	2,435	64,249	47,810	48,330	45,181	43,786	46,791	47,255	48,464	38,709

CANADIAN FAILURES SLIGHTLY BELOW LAST YEAR

FAILURES both in Canada and the United States reached a peak in 1932 since when they have greatly declined. For both the years 1925 to 1929 and the peak year of 1932, the Canadian failures were approximately one-tenth the number of those reported for the United States. That failures have declined more rapidly in the United States, is indicated by the ratio for 1935, which was one to 8.3. For the first six months of 1936, it was one to 7.5. This further reduction in the ratio arises from the fact that failures in the first six months of 1936 in the United States declined 12.5 per cent in number, while the number reported for Canada during the same interval, showed only a 4.2 per cent decline.

The record for Canada since January, 1934, is shown in the table and the chart. The seasonal pattern is less pronounced than for the United States, although the tendency to decline from the beginning of the year to late Summer is apparent. The Canadian seasonal pattern has an interesting feature in the fact that normally the first month in each quarter stands above the level of the preceeding and subsequent month, this being true of eight of the ten such dates since January, 1934. This usual quarterly peak explains the high April point in the current year. Both May and June were below the record of these same months in recent years. Both in 1934 and 1935, the low for the year was reached in the third quarter with an increase appearing in the last quarter of the year.

The record in terms of total liabilities is extremely erratic. The reduction from 1934 to 1935 was very marked. Since January and February the figures for 1936 have run below those of the last two years, with June at $557,000, far below the previous low in August, 1935, when liabilities totalled $751,000.

With this issue, the records of Canadian failures have been revised completely back to the beginning of 1934, to make them comparable with the tabulations for the United States. The records in the past had included some failures of insurance and real estate agents and brokers. Many of these cases could not be distinguished from real estate owners, where large liabilities appeared because of the mortgage situation. The revision has limited the tabulation more strictly to commercial failures, the industries included being shown in the quarterly table.

In its broad outlines, the record clearly resembles that of the United States. Retail trade tends to dominate the figures, including approximately two-thirds of all cases.

The outstanding decline since the first quarter, has been in the manufacturing field, and within that division the reduction was in failures of food manufacturers. The large number of failures of textile manufacturers which became evident in the last quarter of 1935, still continues notable, although the liabilities involved have greatly lessened. In retail trade, the serious condition in the apparel trades, evident in the first quarter of the year, has disappeared, while failures among food retailers reached the highest level since 1934. Failures in the construction industry were the lowest in recent years.

Canadian Failures by Months

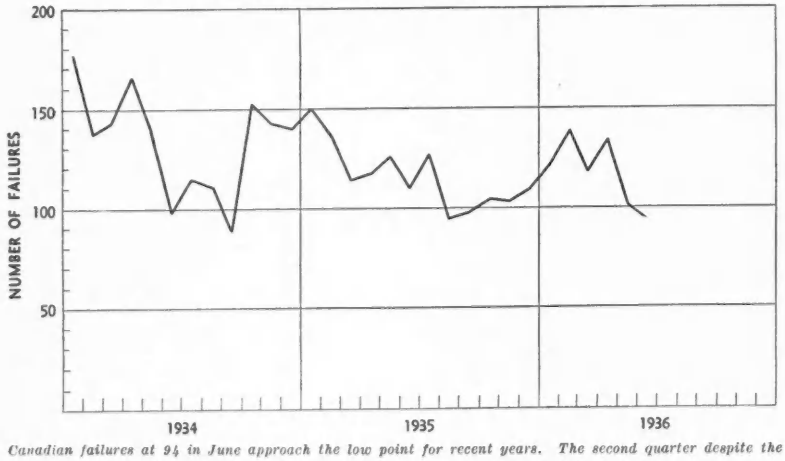
	Number		
	1936	1935	1934
January	120	149	176
February	138	135	137
March	118	112	141
April	134	111	164
May	101	121	139
June	94	108	99
July	...	124	112
August	...	93	109
September	...	94	89
October	...	106	151
November	...	105	143
December	...	109	140
Total Canada	...	1,367	1,600

Liabilities

(Thousands of dollars)

	1936	1935	1934
January	1,245	1,094	1,835
February	2,307	982	1,286
March	936	981	1,388
April	893	1,069	2,249
May	753	1,439	2,488
June	557	1,419	1,051
July	...	1,602	1,734
August	...	751	931
September	...	884	976
October	...	927	2,006
November	...	1,074	1,349
December	...	872	1,749
Total Canada	...	13,094	19,042

MONTHLY TREND OF CANADIAN FAILURES



Canadian failures at 94 in June approach the low point for recent years. The second quarter despite the April peak, was eleven failures below the corresponding total for last year.

Quarterly Record of Canadian Failures by Divisions of Industry—1934-1936

(Liabilities in thousands of dollars)

Divisions of Industry	Number												Liabilities											
	1934				1935				1936				1934				1935				1936			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Manufacturing																								
Foods	36	25	16	18	13	13	18	14	21	10	..	..	365	358	236	922	122	109	390	252	293	98	....	....
Textiles	10	15	10	16	14	14	16	34	26	21	..	..	146	225	107	479	111	75	140	414	375	163	....	....
Forest Products	5	9	11	9	6	14	5	9	4	6	..	..	86	118	521	278	155	584	209	150	22	44	....	....
Paper, Printing and Publishing	6	4	3	4	9	7	6	3	6	1	..	..	152	32	16	22	156	167	62	6	915	52	....	....
Chemicals and Drugs	2	2	3	3	5	..	2	3	2	3	..	..	31	17	6	60	11	....	8	96	17	7	....	....
Fuels	1	..	1	2	..	..	2	1	2	2	..	..	100	....	6	11	....	....	63	5	29	16	....	....
Leather and Leather Products	4	7	3	7	5	4	5	3	5	5	..	..	20	45	32	343	28	46	84	84	53	96	....	....
Stone, Clay, Glass and Products	1	2	2	5	1	2	2	..	1	3	..	..	8	125	18	40	19	22	15	....	13	23	....	....
Iron and Steel	3	9	2	4	4	2	3	1	4	2	..	..	12	71	31	171	44	16	207	8	47	8	....	....
Machinery	2	5	1	1	2	4	1	..	2	..	..	..	4	78	....	31	2	140	389	....	256	....	....	....
Transportation Equipment	2	..	2	2	..	1	..	1	3	2	..	..	21	....	9	183	....	1	....	4	11	20	....	....
All Other	8	5	5	10	13	8	5	10	10	6	..	..	96	151	55	217	172	299	149	80	292	211	....	....
Total Manufacturing	80	83	59	81	72	69	65	79	86	61	..	..	1,041	1,220	1,037	2,758	820	1,459	1,666	1,099	2,323	738	....	....
Wholesale Trade																								
Farm Products, Foods, Groceries	8	3	5	6	5	9	3	8	5	6	..	..	148	23	40	77	128	304	35	89	55	38	....	....
Clothing and Furnishings	3	..	1	..	1	1	..	2	..	..	..	..	33	....	28	....	18	10	....	13	....	....	....	....
Dry Goods and Textiles	..	4	..	..	1	1	1	..	1	1	..	..	....	1,277	....	....	2	3	2	....	10	65	....	....
Lumber, Building Materials, Hardware	2	2	4	2	1	..	..	1	3	1	..	..	33	152	90	18	26	....	....	37	155	2	....	....
Chemicals and Drugs	1	..	..	2	..	2	2	1	..	1	..	..	229	....	....	4	....	203	26	4	....	4	....	....
Fuels	..	2	2	3	1	1	..	..	..	..	..	..	....	10	7	8	9	4	....	....	....	....	....	....
Automotive Products	2	..	..	1	..	..	1	..	2	..	..	..	44	....	....	20	....	....	6	....	64	....	....	....
Supply Houses	3	4	3	4	4	..	..	3	3	2	..	..	29	17	81	36	24	....	....	14	20	7	....	....
All Other	5	1	5	4	7	2	4	3	3	3	..	..	71	6	32	25	124	82	57	29	39	40	....	....
Total Wholesale Trade	24	16	20	22	20	16	11	18	17	14	..	..	587	1,465	278	188	331	606	126	186	343	156	....	....
Retail Trade																								
Foods	93	76	54	91	66	56	63	54	67	74	..	..	323	387	347	644	270	243	175	132	259	235	....	....
Farm Supplies, General Stores	19	41	17	38	22	24	25	21	23	9	..	..	175	411	129	317	140	178	199	154	261	101	....	....
General Merchandise	21	8	11	17	24	14	13	10	10	8	..	..	201	44	48	45	166	313	61	36	55	58	....	....
Apparel	63	34	26	50	56	34	24	32	70	44	..	..	364	252	118	179	311	258	124	285	378	203	....	....
Furniture, Household Furnishings	18	8	6	4	4	8	5	1	3	5	..	..	199	33	199	120	28	38	68	....	115	16	....	....
Lumber, Building Materials, Hardware	23	14	16	13	11	14	9	12	12	12	..	..	275	139	119	116	88	78	49	177	101	108	....	....
Automotive Products	18	21	16	20	16	17	17	15	9	12	..	..	274	953	75	102	56	84	213	110	26	71	....	....
Restaurants	24	22	20	22	18	24	19	21	16	24	..	..	206	149	461	140	48	198	77	53	37	85	....	....
Drugs	15	12	8	12	11	9	9	8	6	11	..	..	79	69	218	74	34	36	34	39	19	20	....	....
All Other	25	27	21	24	35	21	17	20	26	23	..	..	308	238	171	66	198	186	113	152	276	124	....	....
Total Retail Trade	319	263	195	291	263	221	201	194	242	222	..	..	2,404	2,675	1,885	1,803	1,339	1,612	1,113	1,138	1,527	1,021	....	....
Construction																								
General Contractors	8	3	4	6	10	4	3	5	9	..	..	..	139	73	218	55	80	17	45	88	143	....	....	....
Carpenters and Builders	1	4	3	4	5	3	4	3	..	1	..	..	18	69	20	140	41	18	43	22	....	2	....	....
Building Sub-Contractors	8	9	7	5	4	4	8	5	4	5	..	..	46	52	86	32	65	43	73	154	40	96	....	....
Other Contractors	..	..	..	1	..	..	..	..	..	..	..	..	....	....	....	2	....	....	....	....	....	....	....	....
Total Construction	17	16	14	16	19	11	15	13	13	6	..	..	203	194	324	229	186	78	161	264	183	98	....	....
Commercial Service																								
Cleaners and Dyers, Tailors	2	3	5	9	3	1	6	2	3	3	..	..	19	6	11	53	22	3	11	22	14	4	....	....
Haulage, Busses, Taxis, etc.	5	3	4	2	2	4	1	3	3	3	..	..	15	20	12	24	71	38	13	44	42	4	....	....
Hotels	3	9	3	2	6	6	4	6	3	2	..	..	167	171	63	15	133	97	113	74	19	59	....	....
Laundries	..	1	..	5	2	1	3	1	1	3	..	..	....	6	....	30	55	3	18	38	17	1	....	....
Undertakers	..	1	..	..	1	3	1	2	3	5	..	..	....	5	....	....	2	18	12	5	9	17	....	....
All Other	4	7	10	6	8	8	4	2	5	10	..	..	73	26	31	4	98	13	4	3	11	105	....	....
Total Commercial Service	14	24	22	24	22	23	19	16	18	26	..	..	274	234	117	126	381	172	171	186	112	190	....	....
Total Canada	454	402	310	434	396	340	311	320	376	329	..	..	4,509	5,788	3,641	5,104	3,057	3,927	3,237	2,873	4,488	2,203	....	....
Newfoundland																								
Total Newfoundland	7	9	6	10	3	10	7	2	4	2	..	..	91	442	20	56	15	273	83	9	76	49	....	....

MARKETING TRENDS

THE favorable showing made in the retail field in the past few months was maintained during June, with the margin of gain in most instances growing steadily larger over the comparable period of last year.

The improvement in retail sales as compared with a year ago was attributed largely to the continued gains in business activity, plus the normal seasonal demand for vacation and Summer merchandise, and the added stimulus of the payment of the soldiers' bonus.

Industrial activity in June was well sustained at levels unequalled since 1930. Farmers' cash income for the first five months of 1936 established a new five-year peak, according to the Bureau of Agricultural Economics. The general commodity price level, especially foods, advanced in June, reversing its downward trend since the beginning of the year.

ADJUSTED INDEXES OF RETAIL SALES

(1929-1931 = 100)

	* Department Stores	† Rural General Merchandise	† 5c. and 10c. Variety Stores	† New Passenger Automobiles
1936				
June	87.3	112.5	103.5	.....
May	86.3	113.5	97.0	92.5
April	79.5	110.0	95.0	93.0
March	86.3	106.5	93.5	101.0
February	78.5	93.0	88.0	89.5
January	77.5	96.5	91.0	102.0
1935				
December	82.4	110.0	96.5	106.5
November	79.5	103.5	93.7	113.5
October	75.5	104.5	92.0	82.0
September	79.5	105.0	91.8	79.0
August	76.5	93.0	89.6	75.0
July	78.5	97.0	92.1	81.0
June	78.5	99.5	90.7	78.5
May	74.6	93.0	86.0	70.0
April	71.6	101.0	90.6	78.5
March	80.4	97.5	93.0	94.5
February	73.6	90.5	90.8	86.5
January	72.6	87.5	90.2	75.0

* Compiled by the Federal Reserve Board.
† Compiled by the Department of Commerce.

Department Store Sales Maintained

Department store sales, according to the Board of Governors of the Federal Reserve System, were maintained in June at the relatively high level reached in May. The board's seasonally adjusted index stood at 87.3 for June, on the basis of 1929-1931 as 100. This compared with 86.3 a month earlier and an average of 82.6 for the first six months of the year. All districts showed gains over last year, Dallas leading with an increase of 29 per cent, followed by Atlanta and Chicago with 24 and 23 per cent, respectively. The smallest gains were reported by the New York, Richmond, St. Louis, Minneapolis and Kansas City districts, which turned in increases of 11 per cent each.

Rural sales of general merchandise were 12.5 per cent higher in dollar volume than for June, 1935, and were 55 per cent above those for the same month of 1934, according to the Department of Commerce. For the first six months rural sales were 11 per cent above last year and 36 per cent more than the same period of 1934. The seasonally adjusted index declined slightly from 113.5 in May to 112.5 in June, which compared with 99.5 in June last year.

Daily average sales of variety stores for June showed a gain in dollar volume over June, 1935, amounting to 14, and also showed about the same percentage of rise over June, 1934. As compared with May of this year daily average sales for June showed an increase of about 1.5 per cent, which is contrary to a usual decline of about 5 per cent at this season. The department's seasonally adjusted index, therefore, rose to 103.5 for June, from 97 for May, 95 for April and 90.5 in June, 1935.

Mail Orders Continue Higher

June sales of the two largest mail-order houses exceeded all previous records for the period. The dollar sales of both houses for the month amounted to $71,028,075, or an increase of 26.6 per cent over June last year. Total sales of the twenty-eight reporting chain store systems for June were $164,882,107, representing an increase of 13.1 per cent over the same month of 1935. The combined aggregate of the first thirty leading chain and mail-order concerns for June totalled $235,910,182, a gain of 16.9 per cent, while the increase over last year for the six months' period rose to 12.8 per cent.

Sustained improvement was revealed in the summary of reports from the branch offices of Dun & Bradstreet, Inc. In the wholesale division 113 centers reported Good trade during June, against 99 in May.

In the retail field there were 125 with Good sales, 32 Fair and 4 Quiet last month, against 116, 42 and 3, respectively in May.

Collections showed 98 centers Good, 58 Fair and 5 Slow during June, which compared with 91 Good, 66 Fair and 4 Slow in May.

THE TREND OF PRICES

COMMODITY price movements during June were generally higher, thereby reversing the downward trend of earlier months.

Dun & Bradstreet Higher

Marking the first rise since last December, the Dun & Bradstreet Wholesale Commodity Price Index advanced 1.2 per cent in June. The July 1 figure stood at $9.8538, against $9.7374 on June 1. The latest figure was slightly above the July 1, 1935, index of $9.8416 and showed a rise of 6.7 per cent over July 1, two years ago.

Groups	July 1, 1936	June 1, 1936	July 1, 1935
Breadstuffs	$0.1114	$0.0954	$0.1066
Livestock	.3290	.3285	.3145
Provisions	2.7958	2.7667	2.7526
Fruits	.2326	.2213	.2096
Hides and Leather	.9763	.9575	.9800
Textiles	2.7542	2.7166	2.7683
Metals	.6780	.7174	.7640
Coal and Coke	.0114	.0113	.0110
Oils	.5152	.5032	.5071
Naval Stores	.1094	.1084	.1243
Building Materials	.1156	.1134	.1115
Chemicals and Drugs	.8461	.8461	.8478
Miscellaneous	.3788	.3516	.3443
Total All	$9.8538	$9.7374	$9.8416

Only the metals group showed a decline from the previous month. All other groups registered advances, except chemicals and drugs, which remained unchanged. Individual price movements in June showed 36 advances, against only 9 declines, and 51 unchanged.

Dun's Index Shows Gain

Checking the successive monthly declines recorded since March, Dun's Index Number of Wholesale Commodity Prices on July 1 rose to $178.240. This was an advance of 3.5 per cent over the June 1 position of $172.136, and a rise of 4.2 per cent from the July 1, 1935, level of $171.046. Of the seven major categories which comprise the index, all but one, the metals group, moved upward.

	July 1, 1936	June 1, 1936	May 1, 1936	July 1, 1935
Breadstuffs	$24.367	$22.628	$23.681	$26.517
Meat	17.841	17.288	18.724	20.194
Dairy & Garden	25.748	22.518	21.396	17.582
Other Food	17.391	17.271	17.272	17.228
Clothing	30.128	29.600	29.768	28.746
Metals	22.959	23.099	23.122	21.916
Miscellaneous	39.806	39.732	39.522	38.863
Total	$178.240	$172.136	$173.485	$171.046

DUN & BRADSTREET DAILY INDEX OF 30 BASIC COMMODITIES
(1930-1932=100)

Reaching the year's low of 115.13 on May 27, the index rose steadily since then to stand at 120.59 on June 30. This was a gain of 5 points for the month and was due largely to higher grain and food prices.

Food Index Sharply Higher

A broad upswing in grain and food prices, resulting from the serious drought conditions throughout the country, lifted the Dun & Bradstreet Weekly Food Index to $2.76 for the period ended July 7. This was a rise of 10 cents over the previous week, and marked the largest weekly advance since the week of April 25, 1933. The latest index is the highest since the first week of the year, and compares with $2.58 last year.

The Weekly Food Index is the sum total of the price per pound of 31 articles in common use. Comparision for recent weeks and years are given herewith:

	1936	1935	1934	1933	1932
July 7	$2.76	$2.58	$2.16	$2.03	$1.67
June 30	2.66	2.56	2.16	1.96	1.63
June 23	2.65	2.56	2.17	1.94	1.62
June 16	2.62	2.58	2.19	1.89	1.61
June 9	2.60	2.59	2.17	1.87	1.63
June 2	2.54	2.60	2.14	1.87	1.61

Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since February 1, 1936, are set forth below:

(1930-1932 = 100)

	1936				
	June	May	Apr.	Mar.	Feb.
1	115.50	119.26	120.04	†	121.86
2	115.60	119.27	119.81	121.63	†
3	115.97	†	119.87	121.89	121.71
4	116.39	118.91	119.71	121.72	121.90
5	115.94	118.54	†	121.42	122.11
6	116.16	118.70	119.76	120.65	122.07
7	†	117.94	119.87	121.53	121.67
8	116.13	117.34	120.11	†	121.71
9	116.33	117.51	120.48	120.93	†
10	116.42	†	Holiday	120.72	121.93
11	116.77	116.60	Holiday	121.00	122.37
12	116.87	116.28	†	121.06	Holiday
13	116.90	116.11	121.09	121.48	122.64
14	†	116.19	121.56	121.30	122.97
15	117.44	116.00	121.42	†	123.31
16	117.76	116.84	120.82	121.37	†
17	118.32	†	121.14	121.12	122.31
18	118.20	116.73	121.41	120.72	123.03
19	119.39	116.28	†	120.85	123.40
20	120.06	116.70	121.05	120.64	123.03
21	†	116.85	120.93	120.07	122.70
22	120.65	116.65	121.56	†	Holiday
23	120.68	116.34	121.27	120.31	†
24	120.75	†	120.73	120.60	121.65
25	121.14	116.61	120.85	120.49	121.42
26	120.74	115.87	†	120.39	121.70
27	*	115.13	119.99	120.22	121.91
28	†	115.38	119.81	120.50	121.87
29	121.04	115.61	119.36	†	121.81
30	120.59	Holiday	119.44	120.29	
31		†		119.93	

† Sunday. * Markets closed.

	High			Low		
1936	123.40	Feb.	19	115.13	May	27
1935	124.83	Oct.	8	116.22	Mar.	18
1934	121.58	Dec.	31	101.05	Jan.	3
1933	113.52	July	18	67.86	Jan.	20
1932	84.41	Jan.	7	69.55	Dec.	24

GRAPHIC REVIEWS

SILK CONSUMPTION OFF

THE June statistical report for the silk industry was considered unfavorable, despite the decline in storage stocks at the end of the month. Silk deliveries to the mills during June amounted to only 31,437 bales. This was below expectations and marked the lowest level recorded since December, 1933. The June total compared with 32,087 in May, a drop of 2.0 per cent, and with 33,728 in the same month a year ago, or a decrease of 6.8 per cent.

Raw Silk Deliveries *

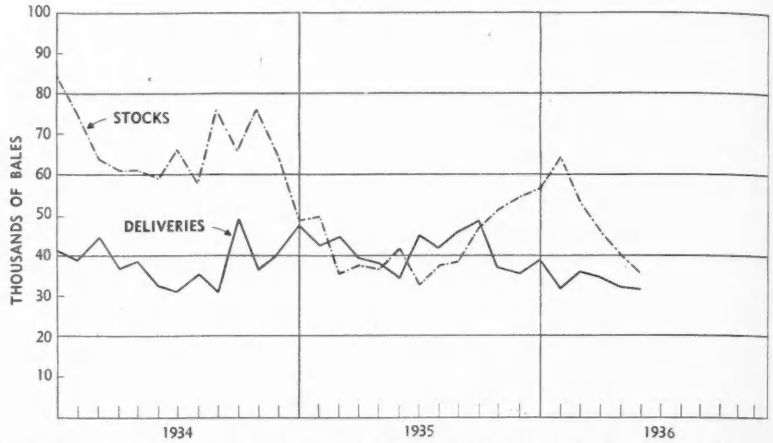
(Bales)

	1936	1935	1934	1933
Jan.	38,995	47,443	40,942	46,204
Feb.	32,053	41,732	39,021	32,665
Mar.	36,000	44,347	44,080	38,934
Apr.	34,564	39,757	37,392	41,910
May	32,087	38,361	38,740	47,151
June	31,437	33,728	33,069	53,627
July	.....	44,166	32,021	44,597
Aug.	.....	41,715	36,247	42,852
Sept.	.....	45,156	32,599	31,185
Oct.	.....	48,167	49,106	28,521
Nov.	.....	37,012	37,548	34,822
Dec.	.....	35,559	40,941	26,959
Total	.....	497,143	461,706	469,427

* Source: National Federation of Textiles, Inc.

Imports remained at approximately the same level as in the past few months. The total for the month was 26,780 tons, against 26,055 in May and 38,984 in June, 1935. The amount in transit at the month-end rose from 21,800 in May to 23,400 bales in June. Storage stocks on June 30 showed a decline of 4,657 bales from the previous month. Stocks at the end of June totalled 35,409 bales, as compared with 42,018 on June 30, 1935.

RAW SILK DELIVERIES AND STOCKS



Since the peak of last October, silk consumption has shown an irregular monthly decline. June deliveries to the mills fell for the fourth successive month. Storage stocks on June 30 also showed a decline.

Silk Stocks at Warehouses *

(Bales—end of month)

	1936	1935	1934	1933
Jan.	56,511	48,516	83,820	69,747
Feb.	64,680	48,727	74,607	60,459
Mar.	53,689	36,583	62,828	43,814
Apr.	46,098	37,587	61,083	43,038
May	40,066	36,762	61,060	40,125
June	35,409	42,018	59,048	33,933
July	.....	32,654	66,268	51,684
Aug.	.....	37,381	58,694	55,515
Sept.	.....	38,680	76,645	73,800
Oct.	.....	46,777	66,479	93,625
Nov.	.....	51,458	76,502	91,122
Dec.	.....	54,941	65,934	96,786

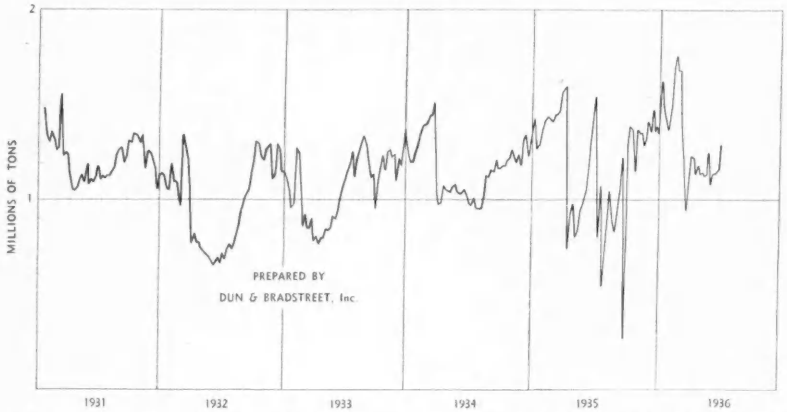
* Source: National Federation of Textiles, Inc.

BITUMINOUS COAL OUTPUT

PRODUCTION of bituminous coal turned slightly upward during June, according to the U. S. Bureau of Mines. An increase of about 900,000 tons brought the June total to 29,415,000 tons from 28,541,000 tons in May. Compared with the 30,117,000 tons mined in June a year ago, the latest figure shows a drop of about 700,000 tons, or 2.3 per cent.

Aggregate production of bituminous coal for the half year just ended amounted to 200,212,000 tons, an increase of 5.8 per cent over last year, but a decline of 5.8 per cent from the same period in 1934.

BITUMINOUS COAL PRODUCTION



The chart shows the weekly movement of daily average production. The daily average rate during June was 1,131,000 tons. This was slightly above the May average but was below the corresponding month in 1935.

Monthly Bituminous Production *

(Tons)

	1936	1935	1934
Jan.	39,330,000	36,681,100	33,459,000
Feb.	41,375,000	34,834,000	32,660,000
Mar.	31,233,000	38,701,000	38,475,000
Apr.	30,318,000	21,970,000	24,661,000
May	28,541,000	26,849,000	27,445,000
June	29,415,000	30,117,000	25,898,000
July	.....	22,252,000	24,851,000
Aug.	.....	26,112,000	27,500,000
Sept.	.....	24,944,000	27,908,000
Oct.	.....	37,664,000	33,008,000
Nov.	.....	33,285,000	30,977,000
Dec.	.....	34,829,000	32,526,000
Total	.....	368,106,000	359,368,000

Weekly Bituminous Production *

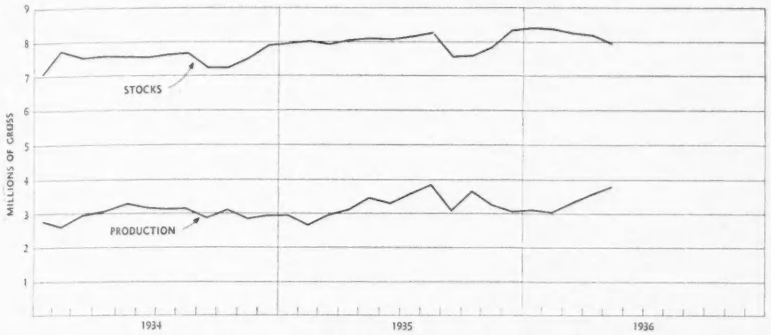
(Daily Average Output, Tons)

	1936	1935	1934
July 4	1,296,000	513,000	1,024,000
June 27	1,150,000	1,089,000	1,046,000
June 20	1,121,000	805,000	1,027,000
June 13	1,122,000	1,537,000	1,019,000
June 6	1,091,000	1,442,000	1,036,000

* Source: U. S. Bureau of Mines.

OF MAJOR TRENDS

GLASS CONTAINER PRODUCTION AND STOCKS



Production and shipments of glass containers set new high peaks in May, while the totals for the first five months of the year also broke all previous records. Stocks were the lowest since last November.

GLASS INDUSTRY ACTIVE

PRACTICALLY all branches of the glass industry have been operating at levels well above those of 1935, and the industry appears to be headed for one of the best years in its history.

Output of polished plate glass in April reached a new high of 19,455,000 square feet, with the May total only slightly lower at 19,192,000 square feet. The May figure compared with 14,582,000 in the like month of last year, representing an increase of 31.6 per cent, while the April total contrasted with 16,999,000 last year, or a rise of 14.4 per cent.

Plate Glass Production *

(Thousands of Square Feet)

	1936	1935	1934	1933	1932
January	17,276	13,365	7,607	6,472	5,500
February	13,857	13,723	7,441	5,186	6,427
March	16,057	16,532	9,927	5,112	4,414
April	19,455	16,999	8,629	4,893	5,025
May	19,192	14,582	7,764	8,286	3,016
June	.....	13,163	6,520	9,946	4,910
July	.....	13,909	7,242	11,828	2,734
August	.....	14,526	7,450	11,768	1,843
September	.....	14,404	6,738	9,346	3,567
October	.....	16,593	7,512	6,064	4,120
November	.....	15,909	6,587	4,360	4,718
December	.....	16,112	8,390	6,654	4,268
Total	.....	179,817	91,807	89,915	50,542

* Plate Glass Manufacturers' of America.

The sharp increases recorded in April and May lifted the total production of polished plate glass for the first five months of this year to 85,837,000 square feet, an increase of 14.1 per cent over the same period last year and more than double the output for the first five months of 1934.

Production and shipments of glass containers also established new highs during May. Production at 3,810,000 gross units displayed a rise of 12.4 per cent over May a year ago, while shipments at 3,996,000 were 23.4 per cent above the May, 1935, figures.

Glass Containers *

(Thousands of Gross)

	Prod'ction 1936	Prod'ction 1935	Shipm'ts 1936	Shipm'ts 1935	Stocks 1936	Stocks 1935
Jan.	3,114	2,935	2,916	2,679	8,437	7,990
Feb.	3,047	2,639	3,031	2,584	8,410	8,010
Mar.	3,339	2,946	3,434	2,963	8,270	7,955
Apr.	3,604	3,113	3,604	2,956	8,224	8,060
May	3,810	3,389	3,996	3,239	7,942	8,141
June	....	3,284	....	3,270	....	8,115
July	....	3,576	....	3,458	....	8,193
Aug.	....	3,825	....	3,748	....	8,239
Sept.	....	3,100	....	3,700	....	7,576
Oct.	....	3,616	....	3,569	....	7,575
Nov.	....	3,271	....	2,938	....	7,836
Dec.	....	3,059	....	2,537	....	8,328
Total.	....	38,753	....	37,641	....	....

* Glass Container Association.

FREIGHT CARLOADINGS

LOADINGS of revenue freight during June were at the highest levels of the year. In the week ended June 27, carloadings totalled 713,639, thereby setting a peak since the week of October 19, 1935. The increase over the corresponding week of last year amounted to 15.7 per cent.

Total carloadings for the week ended July 4, dropped to 649,759, due to the July 4 holiday. The increase over the comparative 1935 period, however, was 35.7 per cent, and represented the largest gain so far registered this year over the corresponding periods of the two preceding years.

Carloadings by commodity groups for the first twenty-seven weeks of 1936 and 1935, follow:

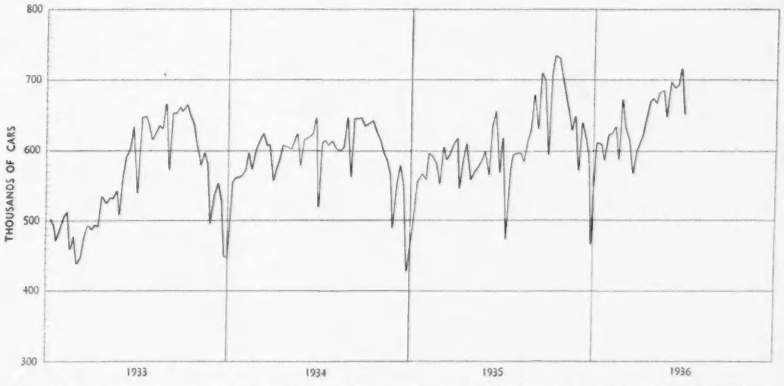
	1936	1935	Change P. C.
Miscellaneous freight	6,864,108	5,986,121	+14.7
Merchandise (L.C.L.)	4,151,000	4,156,330	— 0.1
Coal	3,449,321	3,246,438	+ 6.3
Forest products	813,287	657,028	+23.8
Ore	544,505	385,692	+41.2
Coke	228,371	174,601	+30.8
Grain & grain products	867,356	697,508	+24.3
Livestock	322,681	328,137	— 1.7

Carloadings by Weeks *

	1936	1935	1934
July 4	649,759	471,126	520,741
June 27	713,639	616,863	846,003
June 20	690,716	567,049	623,322
June 13	686,812	652,111	618,881
June 6	695,845	629,712	616,768
May 30	646,859	562,682	579,656
May 23	683,406	598,396	625,990
May 16	681,447	582,950	612,331
May 9	668,935	575,020	602,798
May 2	671,154	568,927	605,246
Apr. 25	666,181	558,936	609,704
Apr. 18	642,657	611,141	591,705
Apr. 11	622,138	586,568	579,981

* Source: Association of American Railroads.

FREIGHT CARLOADINGS



Aided by the early crop movement and the sustained activity in industry and business, carloadings during June expanded to the highest levels since last October, and were well above the totals for 1935.

GRAPHIC REVIEWS

BUILDING EXPANDS SHARPLY

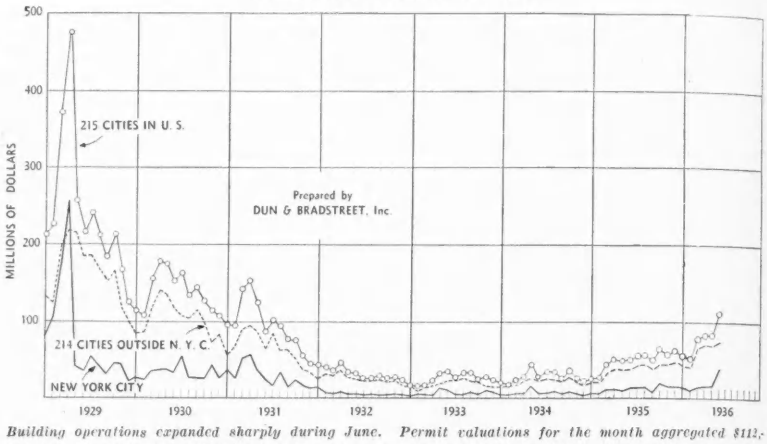
THE value of building permits issued in the leading cities of the country increased sharply during June, a period which normally shows very little seasonal change from May. The building permit volume for 215 cities reached a total of $112,640,106 last month. This exceeded all previous records since May, 1931, and revealed an increase of 36.5 per cent above the May figure of $82,510,596, while comparison with the June, 1935, total of $52,672,794 showed a rise of 113.9 per cent.

The group totals of building permit values for 215 cities for June, 1936, and 1935, are shown in the following table:

Groups:	1936	1935	Change P. C.
New England..	$4,596,764	$4,075,092	+ 12.8
Middle Atlantic	50,844,122	18,040,079	+181.8
South Atlantic.	9,793,123	6,024,142	+ 62.6
East Central...	18,580,398	8,117,236	+128.9
South Central.	8,498,786	4,895,773	+ 73.6
West Central..	3,900,565	2,635,916	+ 48.0
Mountain	1,772,228	997,913	+ 77.6
Pacific	14,654,120	7,886,643	+ 85.8
Total U. S...	$112,640,106	$52,672,794	+113.9
New York City.	$40,011,404	$13,076,671	+206.0
Outside N.Y.C..	$72,628,702	$39,695,123	+ 83.4

The sharp rise in June building activities brought the total value of permits issued in the 215 cities for the first half of 1936 to $463,643,585, surpassing all corresponding periods since 1931. The building volume for the first six months was one-third larger than the aggregate for the full twelve months of 1934, and compared with $253,244,099 for the first half of 1935, or an advance of 83.1 per cent. New York City showed a rise of 84.8 per cent, while the 214 outside cities gained 82.5 per cent.

BUILDING PERMIT VALUES



Building operations expanded sharply during June. Permit valuations for the month aggregated $112,640,106, the highest monthly total in five years, and more than twice the figure for June a year ago.

Building Permit Values (Monthly)

(215 Cities)

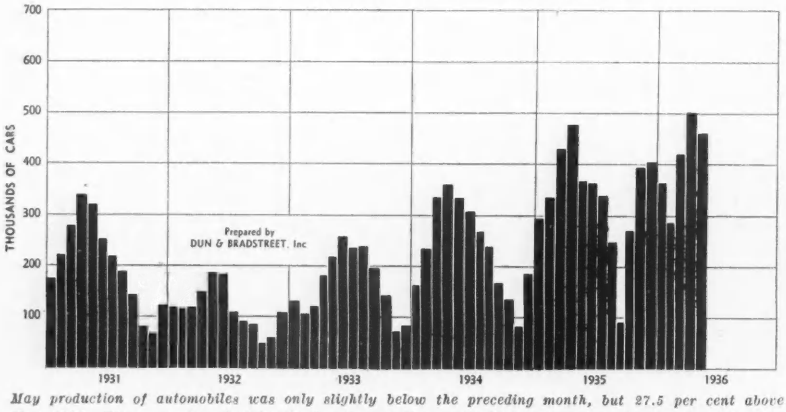
	1936	1935	1934
Jan.	$54,957,904	$26,826,268	$20,825,055
Feb.	51,559,661	27,636,367	19,326,964
Mar.	78,072,223	45,063,852	25,505,005
April	83,903,095	51,717,570	29,280,666
May	82,510,596	49,327,248	43,825,268
June	112,640,106	52,672,794	28,621,565
July	.....	54,191,787	33,899,650
Aug.	.....	55,536,546	34,452,738
Sept.	.....	47,479,944	26,567,925
Oct.	.....	66,965,705	37,501,122
Nov.	.....	56,276,588	27,459,066
Dec.	.....	62,992,039	21,125,723
Total...	.....	$596,686,708	$348,390,747

AUTOMOBILE PRODUCTION

AUTOMOBILE production in May and for the first five months of this year, according to the Department of Commerce, was at the highest rate since 1929. May output totalled 460,565 units, which includes new passenger and commercial cars, trucks and road tractors. This was 8.4 per cent under the peak total of 502,775 recorded in April, but 27.5 per cent higher than May, 1935, when 361,107 units were made.

The cumulative output of automobiles for the year to date amounted to 2,035,921, as compared with 1,861,915 for the first five months of 1935, and 1,407,786 for the like 1934 period. This represented increases of 9.3 and 44.6 per cent, respectively, but comparison with the same months of 1929, when 2,679,511 automobiles were produced, showed a deficiency of 24.0 per cent.

UNITED STATES AUTOMOBILE PRODUCTION



May production of automobiles was only slightly below the preceding month, but 27.5 per cent above May, 1935. The aggregate output for the first five months was the highest for any similar period since 1929.

United States Automobile Production *

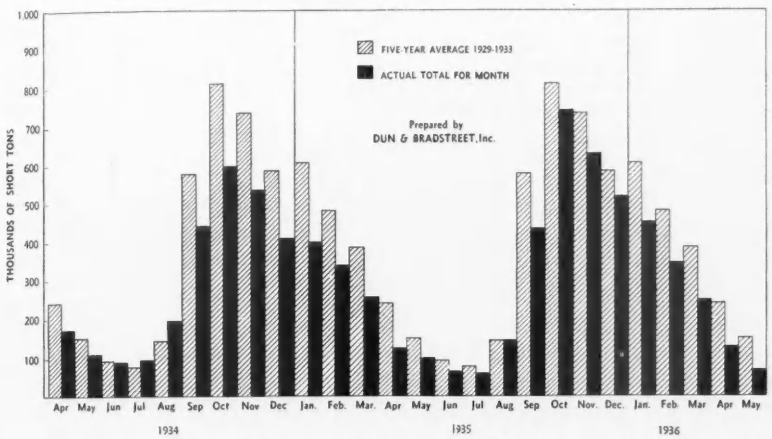
(Cars, Trucks and Tractors)

	1936	1935	1934	1933
Jan. ..	364,004	289,728	155,666	128,823
Feb. ..	287,606	332,231	230,256	105,447
Mar. ..	420,971	425,913	338,434	115,272
Apr. ..	502,775	452,936	352,975	176,432
May ..	460,565	361,107	330,455	214,411
June ..	.....	356,340	306,477	249,727
July ..	.....	332,109	264,933	229,357
Aug. ..	.....	237,400	234,811	232,855
Sept. ..	.....	87,540	170,007	191,800
Oct. ..	.....	272,043	131,991	134,683
Nov. ..	.....	395,059	83,482	60,683
Dec. ..	.....	404,528	153,624	80,565
Total.	.....	3,946,934	2,753,111	1,920,057

* U. S. Department of Commerce.

OF MAJOR TRENDS

COTTONSEED CRUSHINGS



There was a further seasonal decline in operations at cottonseed oil mills in May, and although seed receipts were slightly larger than a year ago, crushings and production were considerably below May, 1935.

THE COTTONSEED INDUSTRY

RECEIPTS of cottonseed at the mills of the country, as reported to the Department of Commerce, declined from 31,670 tons in April to 23,982 tons during May, or slightly above the 22,435 tons recorded in May last year. Aggregate receipts for the ten months of the crop season amounted to 3,701,197 tons, against 3,362,800 for the same period a year earlier, an increase of 10.1 per cent.

Cottonseed crushings during May established a new low level for that month since 1928. The May crush amounted to only 70,992 tons, a decrease of 30.6 per cent from the corresponding month of 1935, and less than half the five-year average May crush from 1929 to 1933. For the season, August 1 through May 31, crushings of seed aggregated 3,739,429, as compared with 3,416,414 tons last year.

Production of crude cottonseed oil for the ten-month period was 6.9 per cent more than a year ago, while stocks on May 31 were 31.5 per cent higher than last year's.

Cottonseed Statistics

(Short Tons)

	Received at Mills	Crushed	Stocks', End of Month
1936			
May	23,982	70,992	51,343
April	31,670	133,660	98,353
March	80,564	252,065	200,349
February	85,646	350,614	371,850
January	244,044	456,656	636,818
1935			
December	481,299	518,673	849,430
November	693,101	634,326	886,804
October	1,096,758	741,295	828,029
September	760,691	436,027	472,566
August	203,442	145,115	149,446
July	30,868	65,302	89,575
June	24,467	68,175	125,339
May	22,435	102,266	169,047
April	18,886	129,372	248,878
March	40,090	260,964	359,364
February	61,236	337,731	580,238
January	127,905	402,115	856,833
1934			
December	308,993	415,670	1,131,043
November	534,923	529,307	1,237,720
October	1,015,200	601,940	1,232,104
September	958,925	438,856	818,844
August	274,207	198,193	298,775
July	42,923	100,699	222,761
June	52,407	92,258	280,537
May	55,546	109,367	320,388
April	46,346	176,268	374,209
March	107,420	344,610	504,131
February	156,696	437,274	741,321
January	194,086	469,444	1,022,416

ELECTRICITY PRODUCTION

THE electricity power industry continued to make history during May, the total production for the month amounting to 9,085,000,000 kilowatt-hours, the highest May figure on record.

The average daily production of electricity for public use in May was 293,100,000 kilowatt-hours, according to the U. S. Geological Survey. This was 1.2 per cent less than the daily average for April, or about the normal change for the period.

Monthly Electricity Production *

(Millions of kilowatt-hours)

	1936	1935	1934	1933
January	9,246	8,354	7,651	6,965
February	8,599	7,491	7,066	6,297
March	8,904	8,008	7,735	6,687
April	8,898	7,816	7,458	6,478
May	9,085	8,022	7,704	7,013
June	....	7,875	7,490	7,242
July	....	8,373	7,617	7,491
August	....	8,576	7,722	7,688
September	....	8,206	7,207	7,350
October	....	8,847	7,833	7,479
November	....	8,690	7,609	7,243
December	....	9,139	8,058	7,470
Total	....	99,397	91,150	85,403

* Source: U. S. Geological Survey.

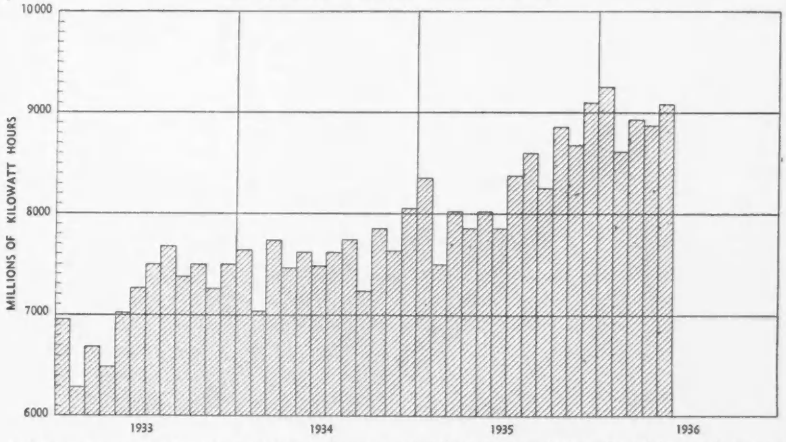
Weekly Electricity Output *

(Millions of kilowatt-hours)

	1936	1935	1934
June 27	2,029,639	1,772,138	1,688,000
June 20	2,005,243	1,774,654	1,675,000
June 13	1,989,798	1,742,506	1,665,000
June 6	1,945,018	1,724,491	1,655,000
May 30	1,922,108	1,628,520	1,576,000
May 23	1,954,830	1,696,051	1,655,000
May 16	1,961,964	1,700,022	1,650,000
May 9	1,947,771	1,701,702	1,643,000
May 2	1,928,803	1,679,178	1,633,000
Apr. 25	1,932,797	1,673,295	1,669,000
Apr. 18	1,914,710	1,701,945	1,673,000
Apr. 11	1,933,610	1,725,352	1,642,000

* Source: Edison Electric Institute.

ELECTRIC POWER PRODUCTION



Daily average production of electricity in May was slightly below April, but the total output for the month was the largest for any May period on record, and was exceeded only in January and December, last.

JUNE BUILDING PERMIT VALUES FOR 215 CITIES

THE detailed report of building permit values for June, 1936 and 1935, and for May, 1936, as reported to Dun & Bradstreet, Inc., follows:

New England	June, 1936	June, 1935	May, 1936
Boston	$776,017	$849,650	$1,261,619
Bridgeport	207,297	114,514	122,426
Brockton	30,000	25,063	26,875
Burlington, Vt.	24,700	10,425	136,405
Cambridge	70,655	128,026	149,258
Chelsea	14,375	6,718	7,330
Everett	21,215	1,680	7,213
Fall River	31,295	12,079	35,695
Fitchburg	21,939	15,486	41,365
Greenwich	516,810	125,275	222,180
Hartford	280,957	135,656	349,417
Haverhill	15,103	33,215	11,130
Holyoke	26,210	55,675	219,500
Lawrence	46,560	31,500	44,920
Lowell	36,365	14,760	221,327
Lynn	165,329	261,647	30,610
Manchester	128,859	33,560	54,955
Medford	9,775	16,390	46,345
New Bedford	37,055	36,200	28,275
New Britain	63,314	78,071	43,407
New Haven	173,259	115,635	116,559
Newton	416,685	260,870	287,597
Norwalk	56,023	63,840	46,635
Portland, Me.	24,259	31,818	82,785
Providence	324,200	342,550	276,200
Quincy, Mass.	96,556	353,045	88,980
Salem	52,735	28,790	54,235
Somerville	35,100	55,985	42,110
Sp'field, Mass.	78,320	53,040	82,365
Stamford	85,930	47,845	55,470
Waterbury	106,650	34,650	328,875
West Hartford	403,514	558,442	330,664
Worcester	219,703	142,992	181,642
Total	$4,596,764	$4,075,092	$5,034,369
Middle Atlantic			
Manhattan 1.	$10,632,850	$1,639,145	$5,574,300
Manhattan 2	2,306,815	1,443,790	2,125,540
Bronx 1	20,108,600	1,720,205	1,246,595
Bronx 2	423,614	305,743	519,721
Brooklyn 1	1,444,325	1,973,695	3,670,835
Brooklyn 2	1,284,715	654,855	787,155
Queens 1	2,844,270	3,972,155	3,383,469
Queens 2	524,966	470,969	493,229
Richmond 1	293,600	294,445	411,873
Richmond 2	147,649	601,669	79,965
Total N.Y.C.	$40,011,404	$13,076,671	$18,292,682

(1) New work. (2) Alterations.

Albany	$385,502	$236,911	$565,025
Allentown	102,350	7,095	16,625
Altoona	18,216	11,354	26,015
Atlantic City	47,913	68,670	200,844
Auburn	13,485	25,280	39,033
Bayonne	53,969	24,696	28,625
Binghamton	114,796	153,173	146,049
Buffalo	754,669	333,577	131,584
Camden	105,786	30,676	18,415
East Orange	152,497	83,308	75,646
Elizabeth	25,353	53,545	60,032
Elmira	66,680	11,142	12,099
Erie	143,903	58,620	76,048
Harrisburg	101,210	191,805	70,700
Jamestown	225,460	13,451	49,540
Jersey City	659,432	28,608	167,216
Lancaster	88,127	20,235	37,931
Mount Vernon	973,075	60,910	70,360
Newark, N. J.	326,835	236,968	341,457

Mid. Atlantic (Cont.)	June, 1936	June, 1935	May, 1936
New Brunswick	$15,060	$37,795	$17,118
New Rochelle	208,286	23,323	122,384
Niagara Falls	152,146	80,423	210,863
Philadelphia	1,225,590	829,080	3,109,810
Pittsburgh	953,112	373,155	872,247
Poughkeepsie	28,000	1,900	28,000
Reading	111,960	45,405	38,585
Rochester	1,102,634	272,131	1,406,195
Schenectady	178,257	52,244	62,368
Scranton	126,042	30,175	40,211
Syracuse	781,505	703,085	210,508
Troy	200,047	196,610	75,453
Utica	38,925	21,180	42,450
Watertown	31,404	38,484	44,758
White Plains	73,040	34,160	140,600
Wilkes-Barre	190,030	35,682	36,566
Williamsport	93,415	33,451	73,596
Wilmington	558,502	150,219	266,205
Yonkers	335,688	272,160	999,445
York	69,817	82,722	29,226
Total	$50,844,122	$18,040,079	$28,252,454
South Atlantic			
Asheville	$68,473	$11,470	$154,839
Atlanta	355,707	257,714	667,246
Augusta	75,670	25,360	46,557
Baltimore	1,383,500	837,840	1,273,800
Charleston, S.C.	54,828	34,480	28,320
Charlotte	247,774	238,347	190,707
Coral Gables	140,726	43,975	132,670
Greensboro	209,105	268,815	137,767
Greenville	96,642	30,775	152,635
J'ksonville, Fla.	331,169	204,735	331,514
Lynchburg	79,655	53,972	81,788
Macon	76,683	31,405	71,706
Miami	1,093,648	460,629	733,794
Miami Beach	1,317,537	1,009,262	1,419,910
Norfolk	130,757	93,435	155,775
Richmond	270,184	177,176	294,544
Roanoke	101,402	66,618	102,245
Savannah	10,415	34,272	64,451
Tampa	54,089	26,961	102,250
Wash'gton, D.C.	3,597,685	2,037,355	2,570,110
Winston-Salem	97,474	79,546	123,251
Total	$9,793,123	$6,024,142	$8,835,879
East Central			
Akron	$202,200	$117,357	$156,061
Bay City	83,885	109,712	74,708
Berwyn	42,847	14,490	121,925
Bluefield	47,405	15,490	13,586
Canton	60,775	46,385	69,120
Chicago	2,021,131	741,850	1,595,891
Cincinnati	3,414,740	1,207,315	899,455
Clarksburg	53,996	50,770	189,953
Cleveland	752,500	369,800	467,000
Columbus	666,400	128,900	376,000
Dayton	176,350	146,865	161,311
Detroit	5,265,952	1,696,023	3,787,926
East St. Louis	37,008	28,236	19,855
Evanston	167,100	101,750	128,200
Evansville	214,248	88,712	195,974
Flint	530,442	122,273	281,359
Fort Wayne	222,412	140,642	207,668
Gary	100,787	55,619	59,970
Grand Rapids	157,920	50,300	133,815
Green Bay	144,597	115,425	80,641
Hammond	264,043	132,072	113,522
Huntington	59,690	21,535	42,220
Indianapolis	576,468	235,647	476,681
Lansing	294,520	239,585	79,291
Lima	23,460	2,658	15,800
Louisville	212,793	259,179	253,940
Madison	208,995	124,075	185,810
Milwaukee	873,594	501,104	765,367
Newark, Ohio	24,300	11,150	36,400
Oak Park	151,705	63,790	127,170
Peoria	343,989	311,961	903,019
Pontiac	77,555	19,920	80,385
Quincy, Ill.	9,470	164,500	5,310
Racine	67,534	134,595	135,782
Rockford	71,990	24,335	65,325
Saginaw	99,824	90,494	118,057
South Bend	110,795	110,355	75,005
Springfield, Ill.	101,930	42,615	40,102
Springfield, O.	87,620	34,814	82,390
Superior	41,901	31,997	11,918
Terre Haute	31,420	55,239	43,259
Toledo	104,892	62,820	381,930
Waukegan	63,022	11,847	77,799
Wheeling	105,378	22,461	126,711
Youngstown	200,105	46,284	95,003
Zanesville	10,710	14,290	16,385
Total	$18,580,398	$8,117,236	$13,374,909

South Central	June, 1936	June, 1935	May, 1936
Abilene	$27,555	$6,630	$19,242
Amarillo	50,808	22,803	13,666
Austin	378,005	319,460	379,272
Beaumont	96,687	43,261	92,072
Birmingham	122,774	93,518	154,970
Chattanooga	242,786	51,706	181,862
Dallas	387,097	272,539	846,192
El Paso	144,291	96,296	107,361
Fort Smith	20,675	13,995	35,983
Fort Worth	1,455,052	192,700	1,391,474
Galveston	235,465	27,958	37,670
Houston	1,176,322	551,115	844,525
Jackson	164,855	82,275	402,700
Knoxville	532,368	84,736	205,936
Little Rock	117,080	89,443	48,834
Memphis	449,800	200,330	819,780
Mobile	50,592	23,020	40,112
Montgomery	622,735	62,785	89,900
Muskogee	8,870	8,805	2,560
Nashville	299,960	220,336	384,980
New Orleans	315,688	1,618,062	199,565
Oklahoma City	418,605	255,875	276,590
Fort Arthur	79,103	89,616	98,609
San Angelo	26,450	14,370	30,385
San Antonio	532,627	119,660	560,591
Shreveport	155,746	118,804	72,416
Tulsa	201,155	178,268	213,867
Waco	72,455	24,080	93,621
Wichita Falls	113,180	13,327	29,525
Total	$8,498,786	$4,895,773	$7,674,460
West Central			
Cedar Rapids	$105,902	$148,808	$137,013
Davenport	74,023	37,227	48,875
Des Moines	222,185	159,170	242,160
Dubuque	19,715	11,000	11,560
Duluth	130,327	64,254	202,293
Fargo	30,664	35,550	62,100
Kan. City, Kan.	23,710	18,829	79,560
Kan. City, Mo.	320,900	345,000	228,900
Lincoln	131,031	71,923	83,337
Minneapolis	448,975	326,160	561,170
Omaha	218,555	189,857	231,829
St. Joseph	33,760	37,600	30,745
St. Louis	621,926	609,895	653,810
St. Paul	1,001,818	369,162	1,138,765
Sioux City	136,900	56,197	63,145
Sioux Falls	49,625	56,440	100,390
Topeka	108,670	2,525	185,150
Wichita	221,879	96,319	203,219
Total	$3,900,565	$2,635,916	$4,264,021
Mountain			
Billings *	$62,185	$71,775	$46,715
Boise	179,062	105,991	149,142
Butte	24,640	5,020	2,780
Colorado Sp'gs.	48,700	26,645	42,230
Denver	648,068	459,751	495,084
Great Falls	38,668	43,930	30,602
Ogden	43,256	51,173	38,350
Phoenix	216,327	57,334	96,524
Pueblo	37,830	11,707	23,945
Salt Lake City	379,234	149,827	261,882
Tucson	156,443	86,535	113,943
Total	$1,772,228	$997,913	$1,254,482

(*) Not included in totals.

Pacific			
Bakersfield	$155,554	$57,485	$191,575
Berkeley	171,654	97,536	141,247
Beverley Hills	336,300	214,150	360,200
Fresno	213,964	99,128	157,927
Glendale	362,639	115,765	828,090
Long Beach	565,255	565,980	813,390
Los Angeles	5,867,802	2,004,915	5,333,114
Oakland	1,916,863	2,705,252	481,532
Pasadena	821,321	288,902	223,303
Portland, Ore.	479,495	269,795	431,040
Sacramento	392,545	99,268	302,816
San Diego	881,064	358,424	640,485
San Francisco	1,279,602	504,726	1,982,633
San Jose	138,550	56,635	216,420
Seattle	566,920	201,995	366,150
Spokane	256,090	115,960	1,162,685
Stockton	124,775	100,632	74,379
Tacoma	123,727	30,095	112,946
Total	$14,654,120	$7,886,643	$13,819,932
Total U. S.	$112,640,106	$52,672,794	$82,510,596
New York City	$40,011,404	$13,076,671	$18,292,682
Outside N.Y.C.	$72,628,702	$39,596,123	$64,217,914

JUNE BANK CLEARINGS AT FIVE-YEAR PEAK

REVERSING last month's trend, bank clearings in the United States for June reached the highest level for that month in five years. The total in twenty-two leading cities was $26,148,000,000, a gain of 16.4 per cent over the $22,473,000,000 in May, and 16.8 per cent in excess of the $22,392,000,000 in the comparative period of 1935. The leading factors in the rise were income tax payments and the accelerated spending due to the distribution of the soldiers' bonus money. Higher commodity prices also helped swell the aggregate. The current total is the highest for the year to date, with the single exception of March, when the clearings stood at $26,610,000,000.

New York Higher

The turnover at New York City, strengthened by improvement in volume of transactions at the securities markets, was surpassed only by the total in March. For June, the aggregate was $17,325,000,000, a gain of 15.5 per cent over the $15,002,000,000 in the corresponding week of last year, while the March figure was $18,472,000,000.

This table shows monthly bank clearings for 1936 and 1935, together with the percentage charge:

Daily Average Bank Clearings

(000 omitted)

	1936	1935	P. Ct. Change
June	$1,005,692	$895,680	+12.3
May	898,917	888,558	+ 1.2
April	950,423	877,269	+ 8.3
March	1,023,446	936,678	+ 9.3
February	959,348	868,545	+10.1
January	972,770	907,278	+ 7.2
	1935	1934	
December	$962,866	$869,271	+10.8
November	926,672	739,907	+25.2
October	925,833	747,546	+23.8

Monthly Bank Clearings

(000,000 omitted)

	1936	1935	Per Cent Change
June	$26,148	$22,392	+16.8
May	22,473	23,103	− 2.7
April	24,711	22,809	+ 8.3
March	26,610	24,354	+ 9.3
February	22,065	19,108	+15.5
January	25,292	23,590	+ 7.2
Total	$147,299	$135,356	+ 8.8

Turnover rose from 20,614,000 shares in May to 21,428,000 in the June period on the New York Stock Exchange, but remained under the 22,339,000 in the 1935 comparative. Bond sales totalled $221,879,000, an increase of $19,905,000 over the May figure. In June of 1935, bond sales aggregated $265,093,000.

At outside centers, gains appeared in comparison with the totals of June in 1935. Boston rose 14.3 per cent and at Pittsburgh the gain was 32.0 per cent. Cleveland, Cincinnati, and Baltimore advanced 28.9, 25.4 and 23.2 per cent, respectively. The Southern cities, New Orleans, Dallas and Atlanta, revealed gains of over 30 per cent in each instance. Chicago and Detroit also made a good showing. Of the three key cities on the Pacific Coast, the largest percentage of gain appeared at Seattle, which rose 19.2 per cent.

Daily Average Clearings

Daily average clearings for June amounted to $1,005,692, a gain of 12.3 per cent over the 1935 total, whereas last month, the increase was one of only 1.2 per cent.

JUNE BANK CLEARINGS, 1931 TO 1936

(000,000 omitted)

	June, 1936	Per Cent*	June, 1935	Per Cent*	June, 1934	Per Cent*	June, 1933	Per Cent*	June, 1932	Per Cent*	June, 1931
Boston	$950	+14.3	$831	+ 2.7	$809	−10.7	$906	+12.7	$804	−52.9	$1,708
Philadelphia	1,546	+ 8.6	1,424	+ 9.8	1,297	+21.2	1,070	− 1.6	1,087	−40.6	1,831
Buffalo	142	+19.3	119	+ 0.8	118	+ 5.4	112	+ 1.8	110	−36.0	172
Pittsburgh	586	+32.0	444	+ 3.3	430	+21.8	353	+ 2.9	343	−41.5	586
Cleveland	361	+28.9	280	− 1.1	283	+35.4	209	−23.7	274	−40.8	463
Cincinnati	247	+25.4	197	+ 5.9	186	+15.5	161	− 8.0	175	−27.1	240
Baltimore	303	+23.2	246	+ 5.6	233	+36.3	171	−29.3	242	−28.0	336
Richmond	147	+14.8	128	+ 5.8	121	+16.3	104	− 7.1	112	−24.3	148
Atlanta	212	+35.0	157	+ 7.5	146	+24.8	117	+ 7.3	109	−27.8	151
New Orleans	129	+31.6	98	....	98	+46.3	67	−35.6	104	−42.5	181
Chicago	1,354	+29.4	1,046	+ 6.5	982	+10.6	888	−10.3	990	−44.8	1,795
Detroit	472	+29.3	365	+13.0	323	+67.4	193	−35.7	300	−48.3	580
St. Louis	392	+19.1	329	+ 8.6	303	+11.4	272	+ 1.9	267	−35.8	416
Louisville	132	+20.0	110	+13.4	97	+19.8	81	+ 9.5	74	−24.5	98
Minneapolis	295	+20.4	245	+ 4.7	234	− 5.3	247	+13.8	217	−25.7	292
Kansas City	389	+ 9.0	357	+15.2	310	+19.7	259	− 6.8	278	−26.8	380
Omaha	135	+13.4	119	+ 9.2	109	+21.1	90	− 2.2	92	−38.3	149
Dallas	196	+33.3	147	+ 2.1	144	+34.6	107	....	107	−28.7	150
San Francisco	574	+10.2	521	+18.9	438	+ 9.8	399	− 2.2	408	−31.9	599
Portland, Ore.	118	+10.3	107	+16.3	92	+26.0	73	− 2.7	75	−41.4	128
Seattle	143	+19.2	120	+20.0	100	+17.6	85	−14.1	99	−29.8	141
Total	$8,823	+19.4	$7,390	+ 7.8	$6,853	+14.9	$5,964	− 4.8	$6,267	−40.6	$10,544
New York	17,325	+15.5	15,002	+ 4.0	14,426	− 8.8	15,825	+13.8	13,902	−46.7	26,060
Total All	$26,148	+16.8	$22,392	+ 5.2	$21,279	− 2.3	$21,789	+ 8.0	$20,169	−44.9	$36,604

(*) Percentage change from year preceding.

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on June 27, 1936, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	*June 27, 1936*	*Changes from Last Week*	*June 29, 1935*
United States, east of Rocky Mountains	25,125,000	— 1,536,000	23,739,000
United States, west of Rocky Mountains	2,871,000	— 155,000	2,144,000
Canada	140,346,000	— 4,533,000	194,779,000
Total, United States and Canada	168,342,000	— 6,224,000	220,662,000
United Kingdom and Afloat (Broomhall)	39,000,000	— 1,200,000	37,300,000
Total, American, United Kingdom and Afloat	207,342,000	— 7,424,000	257,962,000
Continent { Marseilles, Rotterdam & Amsterdam } (Broomhall)	2,100,000	— 300,000	3,000,000
Total, American and European Supply	209,442,000	— 7,724,000	260,962,000
Corn—United States and Canada	7,743,000	+ 840,000	8,860,000
Oats—United States and Canada	38,824,000	— 363,000	13,929,000

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1936	*U. S. east of Rockies*	*U. S. Pacific Coast*	*Total U. S.*	*Canada*	*Total U. S. and Canada both Coasts*	*U. K. and Afloat (Broomhall)*	*Total American, U. K. and Afloat*	*Continent*	*Total America and Europe*
Apr. 4	49,537	5,610	55,147	206,823	261,970	45,900	307,870	2,700	310,570
Apr. 11	47,732	5,223	52,955	203,021	255,976	45,000	300,976	2,600	303,576
Apr. 18	45,530	5,138	50,668	201,342	252,010	42,400	294,410	2,600	297,010
Apr. 25	43,147	4,604	47,751	194,422	242,173	40,400	282,573	2,200	284,773
May 2	41,482	4,583	46,065	189,250	235,315	41,700	277,015	2,200	279,215
May 9	38,377	4,282	42,659	176,336	218,995	44,600	263,595	2,200	265,795
May 16	35,358	4,018	39,376	170,902	210,278	43,000	253,278	2,400	255,678
May 23	33,328	3,893	37,221	165,005	202,226	43,600	245,826	2,900	248,726
May 30	32,073	3,663	35,736	160,107	195,843	42,800	238,643	3,400	242,042
June 6	29,892	3,440	43,332	152,148	185,480	47,000	232,480	3,000	235,480
June 13	27,841	3,230	31,071	148,026	179,097	41,900	220,997	2,800	223,797
June 20	26,661	3,026	29,687	144,879	174,556	40,200	214,766	2,400	217,166
June 27	25,125	2,871	27,996	140,346	168,342	39,000	207,342	2,100	209,442

Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	*1936*	*1935*	*1934*
Apr. 4	.....	1,000	10,000
Apr. 11	.....	.....	19,000
Apr. 18	.....	.....	6,000
Apr. 25	.....	.....	11,000
May 2	1,000	.....	5,000
May 9	.....	.....	53,000
May 16	.....	.....	3,000
May 23	.....	1,000	1,000
May 30	*77,000	.....	2,000
June 6	1,000	.....	1,000
June 13	*30,000	.....	2,000
June 20	*283,000	.....	2,000
June 27	*157,000	.....	.....
July 1 to date	637,000	28,000	697,000

* Argentine corn.

Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	*1936*	*1935*	*1934*
Apr. 4	3,288,063	2,314,734	3,426,419
Apr. 11	2,124,604	2,798,928	4,673,594
Apr. 18	2,934,989	2,364,673	2,817,302
Apr. 25	3,308,796	2,986,899	3,256,079
May 2	5,930,682	1,748,176	4,037,897
May 9	6,024,125	3,289,049	3,934,310
May 16	5,076,581	3,802,886	6,214,939
May 23	6,799,876	3,895,495	3,188,825
May 30	5,680,764	3,878,583	3,319,231
June 6	6,188,272	1,276,420	2,539,031
June 13	5,704,336	1,183,644	3,611,730
June 20	5,294,874	1,905,805	4,088,352
June 27	4,284,721	3,149,125	3,917,913
July 1 to date	186,399,949	148,845,329	203,910,348

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

Week	*Flour, bbls.*	*Wheat, bus.*	*Corn, bus.*	*Oats, bus.*
June 27, 1936	391	8,601	7,506	1,670
June 20, 1936	394	3,789	6,320	1,523
June 13, 1936	365	3,993	6,006	1,804
June 6, 1936	406	5,767	6,617	2,226
June 29, 1935	318	4,253	2,884	887

Season, July 1, 1935, to June 27, 1936—
Flour, bbls... 18,962 Corn, bus.... 197,213
Wheat, bus... 349,704 Oats, bus.... 131,444

Season, July 1, 1934, to June 29, 1935—
Flour, bbls... 18,180 Corn, bus.... 199,868
Wheat, bus... 251,376 Oats, bus.... 52,417

Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending June 27, 1936, were as follows:

From	*Flour, barrels*	*Wheat, bushels*	*Corn, bushels*
New York	66,740	106,000	.....
Albany, N. Y.	.....	112,000	*157,000
Philadelphia	.....	.....	.....
Baltimore	.....	.....	.....
Boston	.....	.....	.....
Norfolk	1,000	.....	.....
New Orleans	1,000	.....	.....
Galveston	1,000	.....	.....
Total, Atlantic	69,740	218,000	157,000
Previous week	62,466	156,000	283,000
San Francisco	342	.....	.....
Portland, Ore.	4,223	.....	.....
Puget Sound	1,190	.....	.....
Total, Pacific	5,955	.....	.....
Previous week	6,830	.....	.....
Total, U. S.	75,695	218,000	157,000
Previous week	69,302	156,000	283,000
Montreal	25,000	917,000	.....
Sorel	.....	1,401,000	.....
Halifax	7,000	.....	.....
Vancouver	.....	1,203,093	.....
Ft. William	.....	61,000	.....
Total, Canada	32,000	3,582,093	.....
Previous week	43,000	4,633,515	.....
Grand total	107,695	3,800,093	157,000
Previous week	112,302	4,789,515	283,000

* Argentine corn.

U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States June 27, 1936, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Minneapolis	5,195	28	11,033	4,504
Duluth	2,609	266	6,663	1,352
Sioux City, Iowa	40	45	300	20
Milwaukee	619	101	388	1,170
Omaha and Council Bluffs	839	621	3,573	471
Hutchinson	370	....	....	....
Lincoln, Neb.	200	30	....	....
Wichita	491	....	....	....
Kansas City	3,339	387	1,625	159
St. Joseph	162	267	229	6
Chicago	3,659	1,870	5,062	877
Peoria	....	24	....	....
Indianapolis	163	667	177	....
St. Louis	408	470	107	104
Louisville	2,341	40	46	2
Chattanooga	23	12	....	....
Nashville	60	120	126	....
New Orleans	5	87	29	1
Galveston	250	....	....	....
Fort Worth, Tex.	817	210	83	19
Dallas, Tex.	426	....	....	....
On Lakes	64	443	74	135
On Canal	....	56	28	....
Detroit	90	8	5	30
Erie, Pa.	....	....	....	....
Cleveland	85	....	....	....
Mansfield	....	150	140	....
Dayton	5	15	7	5
Cincinnati	32	53	55	....
Buffalo	2,580	966	1,343	557
Afloat	130	469	....	121
Boston	1	....	6	....
Providence, R. I.	3	16	16	1
New York	47	211	136	8
Afloat	....	40	96	32
Philadelphia	41	119	28	2
Baltimore	30	6	19	2
Newport News	....	....	....	....
Norfolk	1	6	....	....
June 27, 1936	25,125	7,743	31,394	9,578
June 20, 1936	26,661	6,903	31,329	10,033
June 29, 1935	23,739	8,860	8,399	5,169

Canadian Grain Stocks

The available grain stocks in Canada June 27, 1936, follow, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Montreal	7,724	....	666	895
Churchill	2,281	....	....	....
Country Elevators	41,906	....	3,599	1,774
Int. Term. Elevators	1,694	....	588	74
Int. Private & Mfg. Elevators	5,968	....	1,041	1,281
Ft. William and Pt. Arthur	33,232	....	798	1,233
Canadian Afloat	....	....	....	....
Victoria	....	....	....	....
Vancouver	9,533	....	219	12
Prince Rupert	1,028	....	....	....
Bonded grain in the United States	16,003	....	....	....
Other Canadian	20,977	....	519	324
June 27, 1936	140,346	....	7,430	5,593
June 20, 1936	144,879	....	7,858	5,605
June 29, 1935	194,779	....	5,530	5,173

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, INC., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	June 27, 1936	*June 20, 1936*
Portland, Ore.	1,741,000	1,741,000
Tacoma, Wash.	578,000	652,000
Seattle, Wash.	552,000	633,000
Total	2,871,000	3,026,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	June, 1936	*June, 1935*	*Ch'ge P. Ct.*	*May, 1936*	*Ch'ge P. Ct.*
Bank clearings, N. Y. City ($)*	17,325,434	15,002,041	+ 15.5	14,452,913	+ 19.9
Bank debits, N. Y. City ($)*	18,622,539	15,666,826	+ 18.9	16,226,705	+ 14.8
Bank debits, U. S. ($)*	37,504,658	31,475,267	+ 19.2	33,224,754	+ 12.9
Bond sales, Munic. ($)	111,264,575	68,303,384	+ 62.9	88,891,070	+ 25.2
Bond sales, N. Y. Curb Exchange ($)	58,635,000	99,806,000	— 41.3	50,616,000	+ 15.8
Bond sales, N. Y. Stock Exchange ($)	221,879,500	265,093,200	— 16.3	201,974,000	+ 9.9
Corporate issues ‡ ($)	547,615,616	358,513,150	+ 52.7	192,451,692	+ 184.5
Failures, number †	773	944	— 18.1	832	— 7.1
Failures, liabilities † ($)	9,176,783	12,918,152	— 29.0	15,375,138	— 40.3
Stock sales, N. Y. Curb Exchange (shares)	5,276,230	4,439,257	+ 18.9	4,683,437	+ 12.7
Stock sales, N. Y. Stock Exchange (shares)	21,428,377	22,339,512	— 4.1	20,614,690	+ 3.9

	May, 1936	*May, 1935*	*Ch'ge P. Ct.*	*Apr., 1936*	*Ch'ge P. Ct.*
Automobile financing, retail ($)	176,315,532	107,820,587	+ 63.5	172,981,891	+ 1.9
Auto. financing, wholesale ($)	180,665,416	132,074,003	+ 36.8	189,480,701	— 4.7
Fire losses ($)	21,479,380	21,238,205	+ 1.1	25,786,835	— 16.7
Foreign Trade, U. S. Mdse. Exports ($)	201,042,000	165,459,000	+ 21.5	192,629,000	+ 4.4
Foreign Trade, U. S. Mdse. Imports ($)	191,110,000	170,533,000	+ 12.1	202,789,000	— 5.8
Life insurance, sales, ($)	753,410,000	732,188,000	+ 2.9	743,945,000	+ 1.3
Ry. earnings, gross ($)	320,966,498	279,527,573	+ 14.8	313,409,628	+ 2.4
Ry. earnings net oper. income ($)	41,842,147	39,598,511	+ 5.7	41,547,644	+ 0.7

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.

PRODUCTION

	June, 1936	*June, 1935*	*Ch'ge P. Ct.*	*May, 1936*	*Ch'ge P. Ct.*
Building† (215 cities) ($)	112,640,106	52,672,794	+ 113.9	82,510,596	+ 36.5
Building† (120 cities) ($)	95,662,000	42,686,000	+ 124.1	67,078,000	+ 42.6
Coal, anthracite (tons)	3,958,000	5,642,000	— 29.8	4,577,000	— 13.5
Coal, bituminous (tons)	29,415,000	30,117,000	— 2.3	28,541,000	+ 3.1
Pig iron (tons)	2,586,240	1,552,514	+ 66.6	2,648,401	— 2.3
Steel ingot (tons)	3,984,845	2,258,664	+ 76.4	4,046,253	— 1.5
Zinc (tons)	44,947	34,637	+ 29.8	44,905	+ 0.1

	May, 1936	*May, 1935*	*Ch'ge P. Ct.*	*Apr., 1936*	*Ch'ge P. Ct.*
Automobile (cars and trucks)	460,565	361,107	+ 27.5	502,775	— 8.4
Boots and shoes (pairs)	29,426,630	31,258,148	— 5.9	32,687,601	— 10.0
Babbitt metal (lbs.)	2,312,436	1,839,719	+ 25.7	2,413,979	— 4.2
Cement (bbls.)	10,985,000	8,222,000	+ 33.6	8,519,000	+ 28.9
Coke (tons)	3,837,323	2,850,236	+ 34.6	3,554,617	+ 8.0
Const. contr. awarded (37 States) †† ($)	216,070,700	126,720,100	+ 70.5	234,631,600	— 7.9
Cotton mill spin. hours*	6,893,604	6,095,335	+ 13.1	7,320,181	— 5.8
Electricity, k. w. h.*	9,085,000	8,022,000	+ 13.3	8,898,000	+ 2.1
Gasoline (bbls.)	41,951,000	37,583,000	+ 11.6	39,902,000	+ 5.1
Glass, pl. pol. (sq. ft.)	19,192,000	14,582,000	+ 31.6	19,455,000	— 1.4
Gold (Rand) (ozs.)	938,050	916,035	+ 2.4	912,639	+ 2.8
Lead, refined (tons)	41,551	37,358	+ 11.2	38,073	+ 9.1
Malleable castings (tons)	45,027	34,729	+ 29.7	50,954	— 11.6
Newsprint, U. S. & Canada (tons)	342,786	327,016	+ 4.8	335,191	+ 2.3
Paperboard (tons)	289,527	262,463	+ 10.3	294,929	— 1.8
Petroleum, crude (bbls.)	93,739,000	82,454,000	+ 13.7	90,479,000	+ 3.6
Pneumatic casings	4,970,993	4,175,170	+ 19.0	4,854,133	+ 2.4
Range boilers (no.)	60,352	61,815	— 2.4	65,773	— 8.2
Steel barrels	715,933	551,882	+ 29.7	721,322	— 0.7
Steel castings, commercial (tons)	64,246	30,646	+ 109.6	63,087	+ 1.8
Steel sheets (short tons)	224,056	191,507	+ 17.0	217,975	+ 2.8
Sulphuric acid (tons)	126,419	111,102	+ 13.8	119,565	+ 5.7
Tobacco and products					
Cigarettes, small*	12,024,857	11,708,756	+ 2.7	11,868,891	+ 1.3
Cigars, large	419,369,234	407,731,360	+ 2.9	411,605,582	+ 1.9
Tobacco and snuff (lbs.)	28,100,281	30,602,884	— 8.2	29,253,570	— 3.9

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.

SHIPMENTS AND CONSUMPTION

	June, 1936	*June, 1935*	*Ch'ge P. Ct.*	*May, 1936*	*Ch'ge P. Ct.*
Silk consumption (bales)	31,437	33,728	— 6.8	32,087	— 2.0
Steel shipments (tons)	886,065	578,108	+ 53.3	984,097	— 10.0
Tin, deliveries U. S. (long tons)	7,795	4,615	+ 68.9	5,235	+ 48.9
Zinc, shipments (tons)	41,654	29,353	+ 41.9	43,977	— 5.3

	May, 1936	*May, 1935*	*Ch'ge P. Ct.*	*Apr., 1936*	*Ch'ge P. Ct.*
Anthracite, ship. (tons)	4,274,185	4,346,863	— 1.7	4,216,272	+ 1.4
Babbitt met., sales (lbs.)	1,892,773	1,401,101	+ 35.1	1,865,182	+ 1.5
Carloading (cars)	2,904,300	2,589,600	+ 12.2	2,787,600	+ 4.2
Cement, ship. (bbls.)	11,121,000	7,428,000	+ 49.7	9,089,000	+ 22.4
Coal, anth. and bit., ind. cons. (tons)	26,147,000	22,606,000	+ 15.7	26,963,000	— 3.0
Cotton cons. (bales)	530,799	470,412	+ 12.8	576,672	— 8.0
Gasoline cons. (bbls.)	42,007,000	39,089,000	+ 7.5	38,825,000	+ 8.2
Lead, refined (tons)	33,125	32,341	+ 2.4	40,457	— 18.1
Malleable castings (tons)	48,854	37,573	+ 30.0	51,840	— 5.8

SHIPMENTS AND CONSUMPTION (Continued)

	May, 1936	*May, 1935*	*Ch'ge P. Ct.*	*Apr., 1936*	*Ch'ge P. Ct.*
Newsprint, U. S. & Canada (tons)	363,507	335,804	+ 8.2	344,842	+ 5.4
Oil-burners (no.)	12,204	9,738	+ 25.3	10,042	+ 21.5
Paints & var., sales ($)	40,989,663	36,160,067	+ 13.4	36,376,507	+ 12.7
Petroleum, crude, runs-to-stills (bbls.)	90,637,000	80,412,000	+ 12.7	84,545,000	+ 7.2
Pneumatic casings	5,831,964	4,067,386	+ 43.4	4,902,721	+ 19.0
Range boilers (no.)	61,194	60,422	+ 1.3	63,548	— 3.7
Rubber, cr., cons. (tons)	50,482	41,101	+ 22.8	51,897	— 2.7
Steel barrels	721,021	554,102	+ 30.1	730,099	— 1.2
Steel sheets, ship. (short tons)	210,127	186,971	+ 12.4	252,441	— 16.8
Sulph. acid, cons. (tons)	82,396	87,944	— 6.3	81,921	+ 0.6
Waste paper (consump.). (tons)	241,895	219,767	+ 10.1	245,566	— 1.5
Wool consump., scoured basis (lbs.)	26,600,000	36,900,000	— 27.9	25,400,000	+ 4.7

STOCKS ON HAND AT END OF MONTH

	June, 1936	*June, 1935*	*Ch'ge P. Ct.*	*May, 1936*	*Ch'ge P. Ct.*
Silk, raw (bales)	35,409	42,018	— 15.7	40,066	— 11.6
Tin, world's visible supply (long tons)	14,260	14,275	— 0.1	15,967	— 10.7
Zinc (tons)	85,003	112,909	— 24.7	81,710	+ 4.0

	May, 1936	*May, 1935*	*Ch'ge P. Ct.*	*Apr., 1936*	*Ch'ge P. Ct.*
Cement (bbls.)	20,435,000	21,991,000	— 7.1	20,571,000	— 0.7
Coal, anth. and bit., ind. stocks (tons)	26,571,000	34,881,000	— 23.8	25,418,000	+ 4.5
Coke, by-product (tons)	1,695,418	2,790,706	— 39.2	1,586,398	+ 6.9
Cotton, ex. lint. (bales)					
In mfg. plants	1,090,077	974,754	+ 11.8	1,190,413	— 8.4
In warehouses	5,237,082	6,580,599	— 20.4	6,020,526	— 13.0
Gasoline at ref. (bbls.)	42,527,000	34,725,000	+ 22.5	44,361,000	— 4.1
Lead, refined (tons)	229,409	225,057	+ 1.9	220,991	+ 3.8
Newsprint, U. S. & Canada (tons)	82,146	71,084	+ 15.6	102,867	— 20.1
Oil-burners (no.)	18,794	13,966	+ 34.6	16,901	+ 11.2
Petroleum, crude, excl. Calif. (bbls.)	268,650,000	298,240,000	— 9.9	268,560,000	+ 0.03
Porcelain plumbing fixtures (pieces) §	9,515	10,710	— 11.2	8,962	+ 6.2
Pneumatic casings	8,176,296	11,130,765	— 26.5	9,034,017	— 9.5
Range Boilers (no.)	44,715	29,458	+ 51.8	45,557	— 1.8
Rubber, on hand & afloat to U. S. (long tons)	297,177	366,934	— 19.0	311,906	— 4.7
Steel barrels	24,567	30,270	— 18.8	29,655	— 17.2
Steel sheets (sh. tons)	138,510	124,442	+ 11.3	124,239	+ 11.5
Sulphuric acid (tons)	75,208	97,665	— 23.0	75,304	— 0.1
Waste paper (tons)	213,435	222,519	— 4.1	204,353	+ 4.4

§ April and corresponding months.

GOVERNMENT STATISTICS

	May 31, 1936	*May 31, 1935*	*Apr. 30, 1936*
Money in circul., U. S. ($)	5,952,598,759	5,539,536,286	5,885,516,595
Population	127,857,000	127,110,000	127,794,000
Per capita ($)	46.56	43.58	46.05
Gen. stock money, U. S. ($)	16,940,913,644	14,811,767,191	16,740,043,355
	June 30, 1936	*June 30, 1935*	*May 31, 1936*
Debt, gross, U. S. ($)	33,778,543,494	28,700,892,625	31,636,443,116
United States:	*June, 1936*	*June, 1935*	*May, 1936*
Receipts, ordinary ($)	529,215,153	463,733,361	256,116,611
Expenditures, ord. ($)	2,091,589,340	480,602,420	273,471,396
Expenditures, emerg. ($)	255,515,022	425,017,610	291,224,984

MONTHLY INDEX NUMBERS

EMPLOYMENT—PAY ROLLS—PRODUCTION

(1923-1925 = 100)

	May, 1936	*Apr., 1936*	*Mar., 1936*	*May, 1935*
Employment (Factory) (BLS)	85.6	85.1	84.1	81.2
Pay Rolls (Factory) (BLS)	79.2	77.9	76.3	68.5
Production, Ind. (FRB) adj.	101.0	100.0	93.0	85.0

PRICE INDEX NUMBERS (WHOLESALE)

	Base Year	*July 1, 1936*	*June 1, 1936*	*May 1, 1936*	*Same month 1935*
DUN'S		$178.240	$172.136	$173.485	$171.046
BRADSTREET'S		$9.8538	$9.7374	$9.8191	$9.8416
U. S. Bureau of Labor ‡	1926	...	78.6	79.7	80.2
Annalist ‡	1913	121.4	120.4	123.8	123.2
Canada (Dom. Bureau) ‡	1926	72.3	71.8	72.4	71.5

		May, 1936	*Apr., 1936*	*Mar., 1936*	*Same month 1935*
U. K. (Board of Trade)	1930	91.9	91.9	91.7	88.2
U. K. (Economist)	1913	96.0	97.4	97.4	94.3
U. K. (Statist)	1913	100.2	100.9	101.6	100.2
France (Stat. Gen.)	1913	374	370	376	340
Germany (Official)	1913	103.9	103.9	103.8	100.8
Belgium	1914	569	574	578	532
Denmark (Official)	1913	139	139	139	131
Norway	1913	132	132	132	125
Sweden	1913	118	118	118	115
Holland	1929	61.2	61.3	61.7	61.1
Japan (Oriental Economist)	1913	178.7	179.3	179.4	173.3
China (Shanghai)	1926	106.0	107.3	106.3	95.0

‡ Average over previous month.

BEST MONTH OF YEAR FOR COTTON GOODS SALES

by C. S. WOOLSLEY

JUNE was the most active month of the year to date in cotton goods markets. Sales of coarse yarn gray goods and many types of combed goods ran into the millions of yards and were estimated to have been equivalent to 150 per cent of production. Many mills sold up their production for months ahead at rising prices.

Print cloths, wide goods and narrow sheetings advanced ½c. to ¼c. a yard during the month and similar advances were recorded on combed goods. Drills, osnaburgs, tobacco cloths, twills and specialties sold in the largest volume in months. Cotton ducks were in brisk demand at advanced prices.

Cotton yarn prices enjoyed an active four weeks' period during which prices advanced on an average of 1½c. a pound. Most yarn mills had sold up their production for several months ahead at the close of the month. Advances were also made on mercerized yarns. Yarns requiring long staple cotton scored the sharpest advances due to the fact that the prices on 1⅛-inch cotton soared in all spot centers to the highest levels in many years.

Toward the end of the month the acute shortage of cotton was relieved somewhat when the Government announced its intention of selling 1,000,000 bales out of its holdings. These offerings, however, included only a small amount of the longer staples of which mills are in direct need.

Mill Orders Increased

Indications are that the present rate of activity in cotton mills will be maintained through the Summer months and very possibly into September and October. Mills are resting on a comfortable backlog of large orders for print cloths, sheetings and various types of gray goods as well as on contracts for specialties and fancy fabrics. There seems little likelihood of any recession in prices as cotton continues to advance and world consumption of the fiber is constantly rising.

Advances of unfinished cottons were reflected in the finished goods markets. Percales were advanced by leading makers 2½ per cent, or an average of ¼c. a yard, as sales continued to increase. Denims were marked up to 13c. a yard on the 2.20 cloth by volume producers. Woven tickings were raised on an average of ½c. a yard.

The close of the Spring-Summer season in wash goods was marked by the orderly clearance of light stocks at strong prices. Converters, meanwhile, began to prepare new lines for Fall on which initial orders were satisfactory. Cretonnes, due to sharp competition, failed to advance and for the most part prices were on the low side.

Finished Goods Higher

Demand for wool and part-wool blankets expanded and prices were noticeably stronger. Mills opened new bedspread lines for the Fall season and booked considerable business. Men's clothing cottons sold in large volume at firm prices. Chambrays and coverts were lifted to a basis of 9c. to 9¼c. for the 3.90-yard fine yarn cloth.

Wide sheetings, sheets and pillowcases were advanced on an average of 5 per cent by the shortening of discounts. Candlewick bedspreads were up about 10c. Bleached broadcloths showed advances of ⅜c. a yard. Patchwork quilts were higher.

Higher cotton and yarn prices were also mirrored in knit goods markets. At least four of the manufacturers of men's cotton ribbed underwear lifted quotations. Anticipating the advances, many jobbers and chain stores covered their requirements for the next few months with the result that many knitters succeeded in selling up their output for months ahead.

Rayon Quotations Raised

Rayon producers during the month raised prices 1c. to 3c. a pound on the heavier denier weaving and knitting yarns. Some of the larger producers reported that June shipments were in excess of production, reducing their reserve stocks still further.

The fact that one large plant, damaged by the floods of last March, is not yet back at capacity production, is reducing the amount of yarn available by 1,000,000 pounds a month.

The heavy demand for weaving yarns was noted throughout the market and was not limited to viscose alone. Expansion in acetate yarn sales has started earlier than usual this year and some producers are shipping all they can make. Producers have already booked considerable business for September delivery. A survey of Fall fabric lines which are being sampled by cutters indicates that if the dress trade does any real business the demand for yarns will continue at high levels.

Greige goods markets were more active in June as converters purchased a variety of fabrics. The revival of interest in granular weaves was decidedly encouraging to millmen. The very severe curtailment by dress goods mills is enabling them to meet the beginning

of Fall activity in a strong statistical position.

Cuprammonium yarns are to be found in more Fall fabrics than ever before. Many of these fabrics are priced to retail at $1 a yard and should run into considerable volume. The demand for viscose tubing has not been holding up as well as expected, due largely to the fact that it was polo shirts and not underwear which had been accounting for the heavy sales.

Hosiery Prices Lowered

Domestic producers of staple fiber are reported sold up through September. Although books were opened late, heavy demand from spinners speedily absorbed production for the month. Spun rayon challis are expected to run into considerable volume for Fall, accounting for much staple poundage. Higher priced fabrics of spun rayon origin are also receiving a good reception from cutters.

Deliveries of raw silk to domestic mills in June totalled 31,437 bales, as against 32,087 bales in the previous month. Stocks in American warehouses on July 1 totalled 35,409 bales, as against 40,066 bales at the end of the previous month. Imports during June amounted to 28,780 bales.

Despite the favorable statistical position of the hosiery industry, a number of makers of full-fashioned hosiery reduced prices during the month. During the first five months of the year hosiery shipments showed a 4 per cent increase over the corresponding period of the previous year. Meanwhile, manufacturers here continued to feel the pinch of Japanese competition and made representations to the Washington administration. Business in outerwear during the month was quite satisfactory. Sales of swim-suits were heavy and many mills did a good business on sweaters.

Woolen Sales Slower

Wool markets were fairly active in June. At the end of the month, stocks in Boston lofts and warehouses were less than normal. Consumption of the raw material expanded slightly during the month. Tops and yarns prices were steady, although business was not as good as expected. Piece goods markets for the most part were in a seasonal lull, although sales of women's wear fabrics were much larger than in the previous month.

At the end of the month unfilled orders were estimated at about 38,000,000 linear yards, divided as follows: 27,000,000 men's wear; 10,000,000 women's wear and 1,000,000 yards of automobile cloths. Clothing sales in June were much larger than in May and April, the increase being attributed to the fact that weather was more seasonable and also to the fact that the Government distributed large sums in bonus money.

Men's wear mills will begin to show lines for the Fall season in July and indications are that substantial business will be booked. Garment manufacturers opened lines of women's coats and suits for Fall in the middle of June and succeeded in obtaining a large number of orders.

Carpet Outlook Good

Opening of floor coverings lines for the Fall season was marked by the introduction of a new axminster by a leading mill at prices that averaged $2 per rug below the general market. Otherwise, prices on carpets and rugs showed no change from the previous season. The lines were opened simultaneously in New York and Chicago. A large number of buyers were in attendance at the openings and made fair purchases. Prices are expected to advance as the season gets under way, due to the fact that carpet wool quotations continue to move upward. Business on carpets, rugs and linoleums during the Fall season is expected to show increases of 10 to 15 per cent over last year.

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING JUNE, 1936

(Cents Per Pound)

	Mon. June 1	Tues. June 2	Wed. June 3	Thurs. June 4	Fri. June 5	Sat. June 6	Mon. June 8	Tues. June 9	Wed. June 10	Thurs. June 11	Fri. June 12	Sat. June 13	Mon. June 15
New Orleans	11.83	11.86	*	11.88	11.88	11.88	11.87	11.90	11.80	11.87	11.88	11.89	11.89
New York	11.79	11.80	11.80	11.77	11.80	11.78	11.78	11.79	11.79	11.79	11.80	11.80	11.79
Savannah	11.89	11.93	*	11.92	11.95	11.93	11.93	11.94	11.94	11.99	12.00	12.00	12.00
Galveston	11.59	11.59	11.61	11.61	11.64	11.62	11.62	11.65	11.65	11.70	11.70	11.70	11.70
Memphis	11.60	11.65	11.65	11.60	11.65	11.65	11.65	11.65	11.65	11.70	11.70	11.70	11.70
Norfolk	11.90	12.00	*	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Augusta	12.09	12.13	12.15	12.12	12.15	12.13	12.13	12.14	12.14	12.19	12.20	12.20	12.19
Houston	11.60	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.70	11.70	11.70	11.70
Little Rock	11.54	11.58	11.60	11.57	11.60	11.58	11.58	11.59	11.59	11.64	11.65	11.65	11.65
Fort Worth	11.28	11.31	11.33	11.26	11.27	11.25	11.25	11.26	11.26	11.31	11.32	11.32	11.32
Dallas	11.28	11.31	11.33	11.26	11.27	11.25	11.25	11.26	11.26	11.31	11.32	11.32	11.32

	Tues. June 16	Wed. June 17	Thurs. June 18	Fri. June 19	Sat. June 20	Mon. June 22	Tues. June 23	Wed. June 24	Thurs. June 25	Fri. June 26	Sat. June 27	Mon. June 29	Tues. June 30
New Orleans	11.95	12.10	12.12	12.32	12.42	12.52	12.40	12.27	12.35	12.50	12.55	12.55	12.49
New York	11.85	11.98	12.00	12.23	12.32	12.41	12.28	12.16	12.26	12.43	12.49	12.39	12.33
Savannah	12.05	12.16	12.20	12.43	12.52	12.62	12.49	12.36	12.43	12.53	12.57	12.46	12.36
Galveston	11.75	11.85	11.85	12.00	12.20	12.30	12.15	12.05	12.15	12.25	12.30	12.15	12.05
Memphis	11.65	11.75	11.90	12.15	12.20	12.30	12.20	12.05	12.25	12.45	12.50	12.40	12.35
Norfolk	12.00	12.10	12.15	12.25	12.35	12.50	12.35	12.20	12.30	12.40	12.40	12.30	12.20
Augusta	12.25	12.38	12.45	12.54	12.68	12.74	12.59	12.59	12.68	12.78	12.82	12.71	12.61
Houston	11.75	11.85	11.85	12.10	12.20	12.25	12.10	12.00	12.10	12.20	12.24	12.14	12.04
Little Rock	11.70	11.72	11.75	12.08	12.17	12.26	12.14	12.01	12.08	12.18	12.22	12.11	12.01
Fort Worth	11.38	11.51	11.52	11.75	11.84	11.94	11.81	11.68	11.78	11.88	11.92	11.81	11.71
Dallas	11.38	11.51	11.52	11.75	11.84	11.94	11.81	11.68	11.78	11.88	11.92	11.81	11.71

* Holiday.

INTERNATIONAL MONEY MARKETS

GRADUAL relaxation of the strain in the international money markets took place during June, largely because of continued assurances by the new French Government that no devaluation of the franc is intended or desired. By this and other means the heavy pressure on the franc and other gold currencies was relieved to a degree, and the large movements of gold from France to other countries were diminished and finally halted.

There is no doubt that another of the periodic "currency crises" was overcome during the month. No surprise would have been caused anywhere if the French Government had adopted exchange restrictions of a kind that usually foreshadow currency devaluation.

Some tentative approaches actually were made toward that end through the enactment of laws whereunder French citizens can be made to declare their holdings of gold, cash and securities in other markets, and through laws against the propagation of false rumors regarding financial affairs. These measures sufficed to check the vast flow of capital from Paris to New York and London.

It was recognized, however, that such steps are mere palliatives which fail to solve the essential problem. Because of still other actions by the French Government, eventual devaluation of the franc now is regarded as all but certain in informed financial circles.

Franc Devaluation Foreseen

Leon Blum, the Socialist Premier of France, took office on June 4 after extensive preparations, and the program of the "Left Front," which supports the regime, was revealed in successive declarations of policy. It also was disclosed in the steps taken to meet the dangerous "fold-arms" strike situtation, which involved the entire country for a while.

More than 1,000,000 workers in various French industries engaged in passive strikes as a means of objecting to the stern deflationary methods pursued by previous French Cabinets, in order to prevent devaluation of the currency. The industrial life of France was paralyzed for a time, and Premier Blum acted speedily.

He promised the workers a forty-hour week, paid vacations and collective labor contracts. Bills for such changes were rapidly introduced in the new Chamber of Deputies and voted by large majorities. France thus started abruptly on a road away from deflation and toward higher costs and prices. Since French price levels already were above those of the rest of the world, critics of the Blum regime served ample notice in the Chamber debates that they believed the new road to lead inevitably to devaluation.

The declaration of financial policy, made by Finance Minister Vincent Auriol on June 19, was reassuring in a sense, since it was made clear that the currency will not be devalued voluntarily and no attempt made to nationalize French banks or enact a capital levy. M. Auriol indicated, however, that vast deficits occurred in recent years and that a further deficit would be faced this year.

He introduced bills providing for an increase of 10,000,000,000 francs in the short-term borrowing power, raising the limit to 31,000,000,000 francs. The Cabinet also was empowered to "modify and complete the laws, statutes and government of the Bank of France, in order to assure its management in the interests of the nation."

Early in June, Jean Tannery was "promoted" from his post as Governor of the Bank of France, and that institution placed under the Acting Governorship of Emile Labeyrie, an adherent of the Left

GOLD RESERVES OF CENTRAL BANKS

(Figures are in millions of dollars; the valuation ratio is: One ounce = $35.00)

End of	England	France	Holland	Switzerland	Japan	Italy	Russia	Germany	United States
1914.....	721	1,375	...	...	108	455	1,509	843	2,042
1920.....	1,277	1,160	433	178	941	345	...	440	4,150
1925.....	1,177	1,204	301	152	975	371	159	488	6,748
1930.....	1,216	3,556	290	234	698	472	422	894	7,154
1931.....	996	4,570	605	767	396	501	555	396	6,859
1932.....	987	5,510	703	808	359	520	623	325	6,848
1933.....	1,572	5,112	627	653	359	632	704	156	6,793
1934.....	1,584	5,445	573	624	394	518	744	32	8,238
1935									
Jan.	1,586	5,438	555	600	395	519	744	32	8,391
Feb.	1,586	5,439	552	586	397	519	744	32	8,527
Mar.	1,586	5,479	553	560	398	519	748	33	8,567
Apr.	1,587	5,366	439	446	400	519	748	33	8,710
May	1,587	4,759	440	390	403	519	748	33	8,858
June	1,588	4,708	427	391	407	498	748	35	9,116
July	1,588	7,726	380	421	410	468	748	38	9,144
Aug.	1,593	4,756	402	446	413	419	748	38	9,203
Sept.	1,595	4,770	365	448	416	379	839	38	9,368
Oct.	1,604	4,773	401	453	418	351	839	35	9,693
Nov.	1,628	4,388	427	455	422	351	839	36	9,920
Dec.	1,648	4,395	438	454	425	270	839	33	10,125
1936									
Jan.	1,652	4,324	455	424	428	270	839	31	10,182
Feb.	1,653	4,362	463	472	431	270	839	29	10,167
Mar.	1,653	4,348	486	493	433	270	839	29	10,184
Apr.	1,670	4,106	483	495	435	270	...	28	10,225
May	1,701	3,781	465	485	...	270	...	28	10,401

Front. On June 23 the intention of moving away from rigid adherence to traditional banking policies was emphasized by reduction of the French bank rate to 5 per cent from 6 per cent, and on June 25 another reduction was made to 4 per cent.

The country was promised a sort of modified "New Deal" program of public works, to be financed through issuance of small denomination bonds, redeemable at face value at all times. Finally, it was estimated that 60,000,000,000 francs have been hoarded in France or sent abroad in recent years, and M. Auriol promised that every means will be employed to bring such funds out of hoards and back to circulation so that they can contribute to economic recovery.

By these means the outward flow of capital funds from France was halted and relative stability achieved in the international money markets. The franc advanced slowly from the gold export point, and the triangular movement from Paris to New York to London also ceased.

Indicative of the capital movement from France, which was ended by Premier Blum, were further large gold receipts in New York during June. The shipments represented engagements made before the measures could be made effective. Aggregate gold imports of the United States for the month were $214,591,000, of which $160,588,000 came from France.

The extent to which other gold bloc countries were involved is shown by receipts of $29,100,000 from Holland. Owing to the imports and the smaller accretions from American production, United States monetary gold stocks increased to more than $10,600,000,000.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING JUNE, 1936

Country and Par	Mon. June 1	Tues. June 2	Wed. June 3	Thurs. June 4	Fri. June 5	Sat. June 6	Mon. June 8	Tues. June 9	Wed. June 10	Thurs. June 11	Fri. June 12	Sat. June 13	Mon. June 15
England, checks (Pound $8.2397)	4.99 3/4	4.99 15/16	5.02	5.01 3/4	5.01 1/4	5.01 5/8	4.99 7/8	5.01 7/16	5.01 7/16	5.02 1/4	5.02 7/8	5.02 15/16	5.03 5/8
England, cables (Pound $8.2397)	4.99 5/8	4.99 15/16	5.02	5.01 3/4	5.01 1/4	5.01 5/8	4.99 7/8	5.01 7/16	5.01 7/16	5.02 1/4	5.02 7/8	5.02 15/16	5.03 5/8
France, checks (Franc 6.6335c.)	6.58 7/16	6.58 1/4	6.58 1/8	6.58 7/16	6.58 7/16	6.58 1/8	6.60 1/4	6.58 7/16	6.58 1/8	6.58 7/16	6.58 7/16	6.58 3/4	6.58 7/16
France, cables (Franc 6.6335c.)	6.58 7/16	6.58 3/8	6.58 3/8	6.58 7/16	6.58 7/16	6.58 3/8	6.60 1/2	6.58 7/16	6.58 3/8	6.58 7/16	6.58 7/16	6.59	6.58 7/16
Germany, checks (Mark 40.33c.)	40.24	40.24	40.25	40.26	40.26	40.25	40.30	40.24	40.25	40.24	40.25	40.28	40.26 1/2
Germany, cables (Mark 40.33c.)	40.26	40.26	40.27	40.28	40.28	40.27	40.32	40.26	40.27	40.26	40.27	40.30	40.28 1/2
Belgium, checks (Belga 16.95c.)	16.91 1/2	16.90 1/4	16.90	16.89 1/2	16.90 1/2	16.92	16.93 1/2	16.90 1/2	16.90 1/4	16.90 1/4	16.91	16.91 1/2	16.91 1/2
Belgium, cables (Belga 16.95c.)	16.92	16.90 3/4	16.90	16.90	16.91	16.92 1/2	16.94	16.91	16.90 3/4	16.90 1/2	16.91 1/2	16.92	16.92
Holland, checks (Guilder 68.056c.)	67.53	67.53	67.53	67.52	67.54	67.56	67.61	67.54	67.56	67.54	67.56	67.61	67.58
Holland, cables (Guilder 68.056c.)	67.57	67.57	67.57	67.56	67.58	67.60	67.65	67.58	67.60	67.58	67.60	67.65	67.62
Czechoslovakia, checks (Crown 4.18c.)	4.13 3/4	4.13 3/4	4.13 1/4	4.13 1/4	4.13 1/4	4.13 1/4	4.14 1/4	4.13 1/2	4.13 1/2	4.13 1/4	4.13 1/4	4.13 1/4	4.13 1/4
Czechoslovakia, cables (Crown 4.18c.)	4.14	4.13 3/4	4.13 1/2	4.13 1/2	4.13 1/2	4.13 1/2	4.14 1/2	4.13 3/4	4.13 3/4	4.13 1/2	4.13 1/2	4.13 1/2	4.13 1/2
Switzerland, checks (Franc 32.67c.)	32.31	32.30 1/2	32.30 1/2	32.28 1/2	32.30 1/2	32.30 1/2	32.42 1/2	32.32 1/2	32.35 1/2	32.34	32.31 1/2	32.35	32.31
Switzerland, cables (Franc 32.67c.)	32.31 1/2	32.31	32.31	32.29	32.31	32.31	32.43	32.33	32.36	32.34 1/2	32.32	32.35 1/2	32.31 1/2
Italy, checks (Lira 8.911c.)	7.86 1/4	7.86 3/4	7.87 3/4	7.87 3/4	7.87 3/4	7.87 3/4	7.85 3/4	7.86 3/4	7.86 3/4	7.87 1/4	7.87 3/4	7.86 3/4	7.87 3/4
Italy, cables (Lira 8.911c.)	7.86 1/2	7.87	7.88	7.88	7.88	7.88	7.86	7.87	7.87	7.87 1/2	7.88	7.87	7.88
Spain, checks (Peseta 32.67c.)	13.64	13.63 1/2	13.63 1/2	13.63 1/2	13.63	13.63 1/2	13.67	13.63 1/2	13.63 1/2	13.63 1/2	13.63 1/2	13.64	13.63 1/2
Spain, cables (Peseta 32.67c.)	13.65	13.64 1/2	13.64 1/2	13.64 1/2	13.64	13.64 1/2	13.68	13.64 1/2	13.64 1/2	13.64 1/2	13.64 1/2	13.65	13.64 1/2
Portugal, checks (Escudo 7.483c.)	4.56	4.57	4.58	4.58	4.56	4.58	4.57	4.58	4.58	4.58 1/2	4.58 1/2	4.58 1/2	4.59
Portugal, cables (Escudo 7.483c.)	4.56	4.57	4.58	4.58	4.56	4.58	4.57	4.58	4.58	4.58 1/2	4.58 1/2	4.58 1/2	4.59
Denmark, checks (Krone 45.374c.)	22.30	22.31	22.40	22.38 1/2	22.37	22.38	22.31	22.38	22.38	22.41	22.44	22.43	22.47 1/2
Denmark, cables (Krone 45.374c.)	22.31	22.32	22.41	22.39 1/2	22.38	22.39	22.32	22.39	22.39	22.42	22.45	22.44	22.48 1/2
Sweden, checks (Krona 45.374c.)	25.75 1/2	25.77	25.87 1/2	25.86	25.84	25.85 1/2	25.77	25.82	25.85 1/2	25.89	25.92	25.91	25.96
Sweden, cables (Krona 45.374c.)	25.76 1/2	25.78	25.88 1/2	25.87	25.85	25.86 1/2	25.78	25.83	25.86 1/2	25.90	25.93	25.92	25.97
Norway, checks (Krone 45.374c.)	25.09 1/2	25.11	25.21 1/2	25.20	25.18	25.19 1/2	25.11	25.19	25.19 1/2	25.23	25.26	25.25	25.30
Norway, cables (Krone 45.374c.)	25.10 1/2	25.12	25.22 1/2	25.21	25.19	25.20 1/2	25.12	25.20	25.20 1/2	25.24	25.27	25.26	25.31
Greece, checks (Drachma 2.197c.)	.93	.93	.93	.93	.93 1/4	.93 1/4	.93	.93 1/4	.93 1/4	.93 1/8	.93 1/8	.93 1/8	.92 7/8
Greece, cables (Drachma 2.197c.)	.93 1/4	.93 1/4	.93 1/4	.93 1/4	.93 1/2	.93 1/2	.93 1/4	.93 1/2	.93 1/2	.93 3/8	.93 3/8	.93 3/8	.93 1/8
Australia, checks (Pound $8.2397)	3.99 1/2	3.99 3/4	4.01 5/8	4.01	4.00 3/4	4.00 3/4	3.99 5/8	4.00 7/8	4.01	4.01 5/8	4.02	4.02	4.02 5/8
Australia, cables (Pound $8.2397)	3.99 3/4	3.99 7/8	4.01 5/8	4.01 1/4	4.01	4.01	3.99 7/8	4.01 1/8	4.01 1/4	4.01 7/8	4.02 1/4	4.02 1/4	4.02 7/8
Montreal, demand (Dollar $1.6931)	99.79	99.70	99.69	99.56	99.66	99.69	99.69	99.75	99.80	99.81	99.78	99.80	99.84
Argentina, demand (Paper peso 71.87c.)	32.30	32.30	32.30	33.45	32.43	32.43	33.43	33.43	33.45	33.45	33.50	33.50	33.55
Brazil, demand (Paper milreis 20.25c.)	8.61	8.61	8.61	8.61	8.61 1/4	8.61 1/4	8.61 1/4	8.61	8.61	8.61	8.61	8.61	8.61
Chile, demand (Gold peso 5.19c.)	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	48.75	48.75	49.25	50.00	50.25	50.25	50.25	50.00	50.00	50.00	50.00	50.00	50.50

Country and Par	Tues. June 16	Wed. June 17	Thurs. June 18	Fri. June 19	Sat. June 20	Mon. June 22	Tues. June 23	Wed. June 24	Thurs. June 25	Fri. June 26	Sat. June 27	Mon. June 29	Tues. June 30
England, checks (Pound $8.2397)	5.04	5.02 3/4	5.03	5.02 1/4	5.01 3/4	5.01 13/16	5.02 1/4	5.02 1/4	5.02	5.01 7/8	5.03 1/4	5.02 1/2	5.01 5/8
England, cables (Pound $8.2397)	5.04	5.02 3/4	5.03	5.02 1/4	5.01 3/4	5.01 13/16	5.02 1/4	5.02 1/4	5.02	5.01 7/8	5.03 1/4	5.02 1/2	5.01 5/8
France, checks (Franc 6.6335c.)	6.58 3/8	6.58 3/4	6.58 1/4	6.58 1/4	6.59 1/2	6.59 3/4	6.59 3/4	6.59 3/4	6.60	6.62 1/2	6.63 1/2	6.63 7/16	6.63 7/16
France, cables (Franc 6.6335c.)	6.58 5/8	6.58 5/8	6.58 1/2	6.58 1/2	6.59 3/4	6.60	6.60	6.60	6.60 1/4	6.62 3/4	6.63 3/4	6.63 7/16	6.63 7/16
Germany, checks (Mark 40.33c.)	40.27	40.26	40.23	40.26 1/2	40.29	40.29	40.25	40.20	40.24	40.32	40.34	40.34 1/2	40.33
Germany, cables (Mark 40.33c.)	40.29	40.28	40.25	40.28 1/2	40.31	40.31	40.27	40.22	40.26	40.34	40.36	40.36 1/2	40.35
Belgium, checks (Belga 16.95c.)	16.91	16.91	16.90 1/2	16.91 1/2	16.92 1/2	16.91 1/2	16.91 1/2	16.90	16.89	16.88 1/2	16.91	16.90 1/2	16.90 1/2
Belgium, cables (Belga 16.95c.)	16.91 1/2	16.91 1/2	16.91	16 92	16.93	16.92	16.92	16.90 1/2	16.89 1/2	16.89	16.91 1/2	16.91	16.91
Holland, checks (Guilder 68.056c.)	67.56	67.56	67.55 1/2	67.61	67.73	67.76	67.68	67.63 1/2	67.76	68.05	68.16	68.08	68.10
Holland, cables (Guilder 68.056c.)	67.60	67.60	67.59 1/2	67.65	67.77	67.80	67.72	67.67 1/2	67.80	68.09	68.20	68.12	68.14
Czechoslovakia, checks (Crown 4.18c.)	4.13 1/4	4.13 1/4	4.13 1/4	4.13 1/4	4.14 1/4	4.14 1/4	4.14 1/8	4.14 1/4	4.14	4.14 3/4	4.15 3/4	4.15 3/4	4.15 3/4
Czechoslovakia, cables (Crown 4.18c.)	4.13 1/2	4.13 1/2	4.13 1/2	4.13 1/2	4.14 1/2	4.14 1/2	4.14 3/8	4.14 1/2	4.14 1/4	4.15	4.16	4.16	4.16
Switzerland, checks (Franc 32.67c.)	32.31 1/2	32.35	32.34 1/2	32.44 1/2	32.54 1/2	32.54 1/2	32.56	32.56 1/2	32.57 1/2	32.69 1/2	32.75 1/2	32.74	32.76 1/2
Switzerland, cables (Franc 32.67c.)	32.32	32.35 1/2	32.35	32.45	32.55	32.55	32.56 1/2	32.57	32.58	32.70	32.76	32.74 1/2	32.77
Italy, checks (Lira 8.911c.)	7.86 3/4	7.87 3/4	7.87 1/2	7.87 3/4	7.87 3/4	7.86 3/4	7.86 3/4	7.86 3/4	7.86 3/4	7.87 3/4	7.87 3/4	7.87 3/4	7.87 3/4
Italy, cables (Lira 8.911c.)	7.87	7.88	7.87 3/4	7.88	7.88	7.87	7.87	7.87	7.87	7.88	7.88	7.88	7.88
Spain, checks (Peseta 32.67c.)	13.63 1/2	13.63 1/2	13.63 1/2	13.64	13.66	13.66 1/2	13.66 1/2	13.66	13.67 1/4	13.73	13.74 1/2	13.73 1/2	13.73 1/2
Spain, cables (Peseta 32.67c.)	13.64 1/2	13.64 1/2	13.64 1/2	13.65	13.67	13.67 1/2	13.67 1/2	13.67	13.68 1/4	13.74	13.75 1/2	13.74 1/2	13.74 1/2
Portugal, checks (Escudo 7.483c.)	4.59	4.58	4.58	4.57 1/2	4.57	4.57 1/2	4.58	4.58	4.58	4.58	4.59	4.58 1/2	4.58
Portugal, cables (Escudo 7.483c.)	4.59	4.58	4.58	4.57 1/2	4.57	4.57 1/2	4.58	4.58	4.58	4.58	4.59	4.58 1/2	4.58
Denmark, checks (Krone 45.374c.)	22.49	22.43 1/2	22.44 1/2	22.41 1/2	22.39 1/2	22.38 1/2	22.41 1/2	22.41	22.40	22.39 1/2	22.46	22.42 1/2	22.38 1/2
Denmark, cables (Krone 45.374c.)	22.50	22.44 1/2	22.45 1/2	22.42 1/2	22.40 1/2	22.39 1/2	22.42 1/2	22.42	22.41	22.40 1/2	22.47	22.43 1/2	22.39 1/2
Sweden, checks (Krona 45.374c.)	25.98	25.91 1/2	25.93	25.89	25.87	25.86	25.89	25.89	25.87 1/2	25.87	25.94	25.90	25.85 1/2
Sweden, cables (Krona 45.374c.)	25.99	25.92 1/2	25.94	25.90	25.88	25.87	25.90	25.90	25.88 1/2	25.88	25.95	25.91	25.86 1/2
Norway, checks (Krone 45.374c.)	25.31 1/2	25.25 1/2	25.26 1/2	25.23	25.21	25.20	25.23	25.23	25.21 1/2	25.21	25.28	25.24	25.20
Norway, cables (Krone 45.374c.)	25.32 1/2	25.26 1/2	25.27 1/2	25.24	25.22	25.21	25.24	25.24	25.22 1/2	25.22	25.29	25.25	25.21
Greece, checks (Drachma 2.197c.)	.92 7/8	.93	.92 7/8	.92 7/8	.92 3/4	.93	.93 1/4	.93 1/8	.93 1/2	.93 3/4	.94	.93 7/8	.94
Greece, cables (Drachma 2.197c.)	.93 1/8	.93 1/4	.93 1/4	.93 1/8	.93	.93 1/4	.93 1/2	.93 3/8	.93 3/4	.94	.94 1/8	.94 1/8	.94 1/4
Australia, checks (Pound $8.2397)	4 02 7/8	4.01 7/8	4.02 1/4	4.01 1/2	4.01 1/4	4.01 1/4	4.01 1/2	4.01 5/8	4.01 3/8	4.01 1/4	4.02 3/8	4.02	4.01
Australia, cables (Pound $8.2397)	4.03 1/8	4.02 1/8	4.02 3/8	4.01 3/8	4.01 1/2	4.01 1/2	4.01 3/8	4.01 7/8	4.01 5/8	4.01 3/8	4.02 5/8	4.02 1/4	4.01 1/4
Montreal, demand (Dollar $1.6931)	99.81	99.75	99.78	99.72	99.69	99.69	99.77	99.78	99.78	99.73	99.75	99.75	99.75
Argentina, demand (Paper peso 71.87c.)	33.55	33.47	33.53	33.53	33.53	33.45	33.47	33.50	33.50	33.47	33.47	33.53	33.43
Brazil, demand (Paper milreis 20.25c.)	8.61	8.61	8.61	8.61	8.61	8.61	8.61	8.61 1/2	8.61 1/2	8.61 1/2	8.61 1/2	8.61 1/2	8.61
Chile, demand (Gold peso 5.19c.)	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17	5.17
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.25	50.25	50.25	50.50

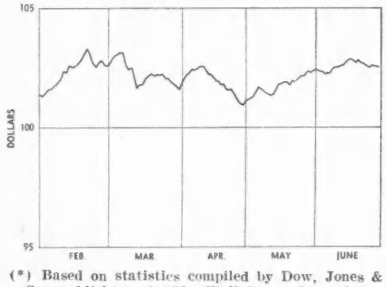
* Nominal quotations. § Free.

STOCK TRADING SLIGHTLY LARGER IN JUNE

by GEORGE RAMBLES

ANIMATED chiefly by the continued favorable trend of trade and industry, stock prices moved slowly but steadily higher during June. Trading was on a small scale, partly because the high margin requirements are discouraging, and the advance was all the more impressive for that reason, since it appeared to reflect genuine investment transactions, for the most part. There were the customary periods of irregularity, but the main tendency was distinctly upward.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."

The average price of all listed bonds on July 1 rose to 94.24 per cent of parity, which compared with an average price of 93.83 per cent of parity on June 1.

The upswing attracted much interest, for it disclosed once again that National election campaigns have comparatively little influence on the trend of security prices. Both the Republican and Democratic conventions were held during June, but the thunders of Convention oratory disturbed the financial markets very little.

Stock prices appeared to be more sensitive to developments in France, where currency devaluation was held for a time to be imminent. Termination of the Congressional session on June 20 was hailed with a sharp upswing of price levels. The enthusiasm was tempered, however, by the last-minute enactment of the new corporation income tax measure.

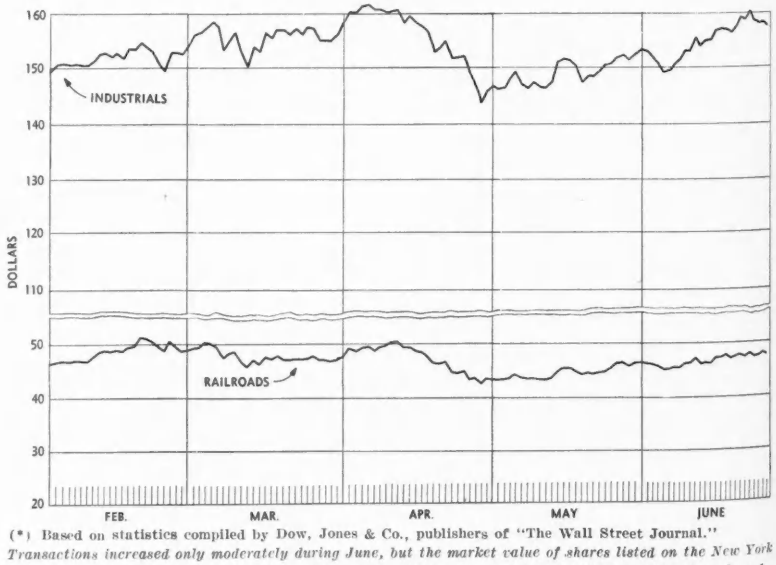
Overshadowing all such considerations, however, was the steady progress disclosed in the statistics of industry and trade. In contrast with ordinary seasonal tendencies, steel production, electric power consumption, carloadings and other indices suggested a good rate of advance. Dividend distributions in June were the largest for that month since 1931, and so was the total for the half year.

Wall Street expected further gains, moreover, on the basis of the huge bonus payments by the United States Treasury on June 15. A good demand for promising equities resulted, and all the leading average compilations reflected gains for the month.

Listed bond dealings disclosed tendencies that have become usual in recent years. United States Government issues and the highly-rated corporate bonds hardly varied throughout the month. This investment section of the market was dampened to a degree by the Treasury flotation of $1,100,000,000 of new 2¾ per cent bonds and 1⅜ per cent notes to supply funds for the bonus disbursements, and by fairly heavy corporate bond issues. The speculative and semispeculative issues, however, kept pace with equities and improved rather steadily. In the foreign bond department, the chief incident of note was a sharp decline in Polish issues on the disclosure that only blocked zlotys would be made available for debt service after funds already transferred will have become exhausted.

Transactions in equities on the New York Stock Exchange totalled 21,428,000 shares during the month, against 20,614,000 shares in May and 22,339,000 shares in June, 1935. Listed bond trading amounted to $221,879,000 par value, which compared with $265,093,000 in the same month of last year.

STOCK PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."

Transactions increased only moderately during June, but the market value of shares listed on the New York Stock Exchange rose $913,665,765, lifting the average share price on July 1 to $38 from $37.38 on June 1.

GENERAL BUSINESS CONDITIONS
BY DISTRICT OFFICES OF DUN & BRADSTREET, Inc.

Albany The building supply business throughout this district continues to show a substantial increase over that of 1935. Although rentals on vacation properties have been raised, Summer resort sections report that the season has made the best start in recent years.

Baltimore Retail trade showed a further gain during June and rose to a point approximately 15 per cent above that of the 1935 comparative period. Practically all Summer lines shared in the upward movement, with lightweight clothing, sportswear, bathing suits, and electrical equipment, including electric refrigerators, pointing the way.

Binghamton As a result of the soldiers' bonuses, retail trade showed a sharp upturn in sales, and there was also a betterment in the collection situation. Industrial activity remained about the same as in May. Wholesale volume was about equal to that of a year ago.

Boston The general trend of business during June was upward. Cotton textiles gained, woolen goods moved in fair volume, and the shoe business went ahead satisfactorily. Retail business was well sustained by travel and vacation needs.

During the month cotton mill business improved, and unfilled orders increased substantially. While advances in the raw material tended to affect the profit margins of many cotton mills, this tendency was offset, to a considerable extent, by increased sales. Prices of the finished goods continued firm, recent price advances being well maintained in all lines.

Buffalo For the week ended June 20, 1936, the Buffalo steel plants were near capacity operations, with the production rate still well above the national average. The operating rate was 84 per cent of capacity. Rising backlogs promise to keep steel makers occupied well into July.

New building projects scheduled to start in Buffalo during the next few months will put Buffalo's construction program far ahead of last year in dollar volume, and probably will mean that 1936 will go on record as the best construction year since 1930 or 1931. Lake transportation activity is under way and business conditions exhibit favorable signs.

Chicago Although Chicago felt the first exhilarating effects of the distribution of bonus money to war veterans toward the close of June, this was largely confined to the less-than-fifty-dollar checks which accompanied the bonus bonds. Hence, the continuous lines of veterans at the various cashiers' windows did not result in any spectacular increase in business.

Retail trade, featured by a strong demand for vacation needs, gift items, and athletic equipment, widened its spread over the 1935 comparative. At wholesale, buying was active all month, due to the continued demand from rural areas.

Cincinnati With the advent of Summer, the usual seasonal decline in department store trade was apparent and sales for June were reported as only about 10 per cent ahead of those of June, 1935, in contrast with an increase of approximately 25 per cent reported in earlier months. The larger stores had no definite benefit from the payment of the soldiers' bonus, but smaller stores reported some degree of improvement in their sales as the result.

Cleveland This section has felt no substantial effect from the bonus distribution, as yet. Stores reported but a small increase due to this cause, while the sale of new automobiles in this county jumped only 116, and used cars 300. However, it is reported that only about half of the bonds have been cashed, and further gains are anticipated.

Reflecting the large amount of idle money, two of the leading Cleveland banks announced the reduction of the basic mortgage interest rate from 6 to 5½ per cent effective June 15.

Dallas Despite very hot weather, local trade in June exceeded the gains recorded for May. Practically all retail dollar sales increased, both because of a greater number of units sold and higher prices.

Hotel and restaurant businesses are being helped materially by the large number of visitors to the Centennial exposition, which already has recorded nearly a million admissions.

Dayton This city is in the midst of one of the most active employment periods in the last six years. Gains have been particularly marked in the building trade and in most of the leading industries. Many manufacturers are erecting additions to their plants and making extensive improvements to their equipment. Total pay rolls for the first five months of the current year, according to the statistics compiled by the Dayton Clearing House, were $28,406,132, as against $24,216,886 in the comparative 1935 period, giving an increase of $4,189,246.

Denver Retail sales showed an increase over May, with new and used cars in the lead, and furniture second. Department stores recorded a satisfactory increase. When compared with 1935, most retail establishments showed an 8 to 15 per cent increase. Wholesale

volume was 6 to 12 per cent ahead of June, 1935.

Crops, as a whole, are favorable, in most instances far ahead of last year's. Tourists are visiting Colorado in advance of last year at this time, and all indications point toward a better season than in 1929.

Detroit Retail sales for June rose 12 to 15 per cent in excess of the corresponding total a year ago. The unusually strong demand for wedding and graduation gifts gave a decided impetus to the movement of jewelry, flatware, house furnishings, linens, electric appliances and furniture.

Recession in automobile production is expected to reduce July assemblies to 375,000 units, which would compare with around 440,000 in June, and 345,000 in July, 1935. New car sales continued at a good rate, the June total being estimated at more than the 405,000 units sold in May.

Erie Favorable weather conditions and the distribution of bonus checks resulted in an appreciable gain in retail sales during June, particularly in wearing apparel and automobiles. Merchants anticipate additional gains within the next few weeks through the influence of the bonus money.

Fort Smith The furniture industry in this territory is having one of the best seasons in several years. Fall production will start in July, and early bookings indicate capacity operations. Wholesale volume has continued to enlarge, due chiefly to good mining prospects, improved demand for the better qualities of merchandise, and a reasonably good agricultural outlook.

Indianapolis Consumer demand widened during June, distribution running from 10 to 15 per cent over that of last year. Wholesale hardware orders showed a gain of 32 per cent over the same period of 1935, while wholesale dry goods volume was larger by 15 per cent. Industrial operations continued active.

Kansas City Wholesale volume continued to expand during June, and trade in general took on a brighter aspect, as reports came in from the territory showing a more favorable agricultural situation. Steady rains in the so-called drought areas put the soil in the best condition in the last six years.

Los Angeles Retail trade continued to benefit from the favorable seasonable weather and increased cash in circulation. All lines of merchandise moved well above the levels of June, 1935.

Industrial activity continued well ahead of last year's. Building showed a satisfactory gain. Crops are in good condition, but labor difficulties in the citrus fruit groves continued to disturb shipping.

Minneapolis The acceleration of the increase in general business volume in this section continued during June. The depressing results of severe drought conditions, which have developed in North Dakota, Montana, and portions of South Dakota have been more than offset by the exhilarating effect of the spending of bonus money.

Off-season inactivity in the manufacture of furniture, bedding and household equipment has not appeared and furniture factory workers are putting in overtime. The employment situation is markedly better than a year ago.

New Haven Some time has elapsed since manufacturing conditions were reported so steady and, on the whole, so satisfactory, as those prevailing during June. The future seems assured, with plenty of orders on hand for most concerns in this area, which includes the Waterbury district. Building has shown no abatement, and prospects for the rest of the season are unusually good.

In nearly all retail lines, satisfactory results were reported in seasonal lines, with prospects for the Fall season brighter than for several years. Employment was steady, and there has been some reduction in relief rolls. Bank clearings, electric and gas consumption were at a high level, in comparison with the past three years.

Norfolk Bonus boosted buying and prime potato prices have served to combat any seasonal stagnation in retail distribution that might otherwise have been felt during June. While it is conceded that automobile dealers, furniture houses, and real estate concerns have benefited most from the release of a large amount of adjusted service certificate money in this section, clothing sales took a sudden spurt, and no small part went toward the payment of old bills.

Nearby Summer resorts already are enjoying the best season since 1930, and are making preparations for a record year. Recent rains have been sufficient to overcome the very dry May and early June, except in such crops as were far advanced. High prices for those crops have more than offset the damage.

Omaha When reference is made to last year's report telling of a 15 per cent increase in retail sales over 1934, the significance of the results of June, showing a 15 per cent increase over 1935, becomes apparent. Retail trade in all lines was active and especially in building materials where, added to the normal increase in building and modernization, the extra repair work created by the storm damage of May built up an unusual volume.

Philadelphia Even though the collection rather than the sales department was benefited by the distribution of the bonus money, retail volume for June went ahead of the comparative 1935 showing by 10 to 15 per cent. The service trades, such as hotel and transportation agencies were helped by the Democratic Convention, hotel revenues reaching a new high for the year, which added to the 6 to 7 per cent gain already registered over the 1935 period.

Pittsburgh Although there was a moderate recession during part of the month, department store sales for June were 10 to 15 per cent

ahead of last year's. With the smaller merchants, volume held up quite well, and especially in industrial communities where the comparatively high pay rolls continued to contribute to buying ability.

Plate glass output during May ran 33 per cent ahead of May, 1935, and for the first five months production was 15 per cent better than the 1935 similar period. Operations during June showed but little let-down. Window glass moved slowly to a greater volume and orders received, while not extraordinary, showed a moderate gain. For glass tableware and lighting goods, no anticipatory buying was apparent and volume just about held even.

Portland, Ore. Final settlement of the loggers' strike and partial adjustment of the automobile mechanics' difficulties brought considerable encouragement to general trade during June. Activity among retailers increased, with the sale of Summer and sportswear outstanding.

Sales of refrigerators and other electrical household equipment widened steadily, and already have exceeded those for any previous season. Manufacturers of ready-to-wear, both men's and women's, are preparing schedules for an increase of 25 to 30 per cent over the Fall of 1935.

Rochester The Rochester Business Index for May surpassed expectations, showing a 10 per cent gain over May, 1935, a 2 per cent advance over April, 1936, and exceeded that for every previous month back to September, 1931. It was 30 per cent above the depression low touched in May, 1935.

Factory employment during May was 9 per cent above that of May, 1935, and reached the highest level for any month since May, 1931. Passenger car sales for May went 31 per cent over the comparative 1935 total, and were larger than for any previous May since 1926.

St. Louis The distribution of Federal funds in the form of soldiers' bonus stimulated retail business in June. Furniture stores, radio dealers, and automobile distributors appeared to receive the largest benefit.

Building activity continued to gain, and this improvement was reflected in allied lines, such as paint, hardware, lumber, and cement. Producers of paper boxes, tags, and sales aids, reported orders from department stores and general retail trade at between 15 and 20 per cent ahead of a year ago.

St. Paul Distribution of seasonal merchandise at wholesale and retail was brisk over this district for the first half of June, and although tapering down toward the close of the month, because of drought in some sections, there remained a gratifying gain over the corresponding period in 1935.

Industrial concerns in general report that orders booked earlier in the year will require near normal activity during the Summer months, if cancellations from the drought-stricken sections do not exceed the amount received up to the end of June.

Continuation of the drought in western Dakotas and eastern Montana diminished expectations for any sizable return from the small grain crop, but recent rains in southern Minnesota and western Wisconsin lend hopes in those States for at least 75 per cent of a normal harvest.

Salt Lake City With soil moisture conditions more favorable than for a number of years, farmers have bought freely of tools, implements, and supplies. Farm implement dealers report business almost 50 per cent ahead of the 1935 comparative total.

Helped by the distribution of bonus money, retail sales of men's clothing, furniture, electrical household appliances, and automobiles went 10 to 40 per cent over the June, 1935, figures. Officials stated that more than 50 per cent of those entitled to the bonus applied for full payment.

San Francisco Retail trade showed improvement during June, as a result of the bonus payment, although sales increases, because of it, were not general, and some houses reported little gain. The improvement in installment account payments, however, was more noticeable in some stores than in the sale of merchandise.

Pacific Coast hop markets showed increased prices during the week ended June 17. California trading was active. Growers' stocks in the three Coast States on June 1 were approximately 20,000 bales greater than on the same date last year, but supplies of the previous season's crop was one-half less.

Seattle A continued gain occurred in home construction in all parts of the Northwest during June. The homes were largely of a better grade than those that have been constructed since the depression. Other classes of construction were only fair in volume.

Retail store sales for June were 15 to 18 per cent above last year's. Cashing of veterans' bonus bonds was believed to be the reason for a large portion of the sales gain, as men's clothing stores generally enjoyed increased activity. Prices were steady and collections good.

Tacoma Wholesale and retail trade during June continued on a plane above that of last year. Crops give evidence of a good yield, although too much rain has been detrimental to some crops, principally strawberries. Cream prices have been holding up well, and butter has been advanced.

Local furniture manufacturing plants have had a good business this season, making the best showing in several years. Trade slowed a trifle during the month, as buyers are holding off for the Furniture Exposition to be held in Tacoma in July.

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POSSIBLE EFFECTS OF THE ROBINSON-PATMAN ACT ON BUSINESS PRACTICES

continued from page 7

questions which should be asked, law or no law. This is the direction which leads towards a healthy, and progressive economic system.

Progressive Evolution

An executive in one of our largest enterprises said to me the other day, "If we find that we have been doing a certain thing in a given way for ten years, we start with a strong presumption that it is not the best way." That corporation has held its place by continual review and reconstruction of its policies and practices. And it is because the Robinson-Patman Act may encourage others to do that same thing in the field of price structures, that it may have its most beneficial influence.

Customary emphasis, both business and economic, has been on price levels. At what price can sellers make a profit, and what price level will stimulate the largest possible production, consumption and employment? These questions will always be vital, but the function of price in shaping the distribution structure within the system now takes rank with them. The strength and sometimes the very existence of different channels of distribution are in large part determined by their price relationship to the rest of the system. Price is their link to commercial life, and if that link is poorly fitted, their chances of survival are definitely lessened. Price structures, ranging down from raw materials to finished products, have become as important as price levels in determining the kind of economic world in which we are to live. The Patman-Robinson Act definitely puts an end to our "ostrich" period of disregarding these facts. The present approach may not be the correct one, but, at least, we are attacking the problem.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition,
June 30, 1936

RESOURCES

Cash and Due from Banks	$ 602,890,348.12
U. S. Government Obligations, direct and fully guaranteed	735,987,426.74
State and Municipal Securities	96,689,988.58
Other Bonds and Securities	184,412,520.93
Loans, Discounts and Bankers' Acceptances	649,449,053.91
Banking Houses	38,271,272.31
Other Real Estate	4,213,474.44
Mortgages	10,255,689.23
Customers' Acceptance Liability	19,668,994.51
Other Assets	14,518,907.50
	$2,356,357,676.27

LIABILITIES

Capital Funds:		
Preferred Stock (Called as of August 1, 1936)	$ 3,694,340.00	
Common Stock	100,270,000.00	
Surplus	100,270,000.00	
Undivided Profits	22,657,367.23	
		$ 226,891,707.23
Reserve for Contingencies		12,413,158.33
Reserve for Taxes, Interest, etc.		1,183,448.27
Deposits		2,083,325,945.17
Acceptances Outstanding		21,341,521.84
Liability as Endorser on Acceptances and Foreign Bills		6,772,366.13
Other Liabilities		4,429,529.30
		$2,356,357,676.27

United States Government and other securities carried at $147,818,737.41 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation